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## Standing to Appeal at the Federal Circuit: Appellants, Appellees, and Intervenors

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# Standing to Appeal at the Federal Circuit: Appellants, Appellees, and Intervenor

**Erratum**  
correcting header

# STANDING TO APPEAL AT THE FEDERAL CIRCUIT: APPELLANTS, APPELLEES, AND INTERVENORS

*Matthew J. Dowd<sup>+</sup> & Jonathan Stroud<sup>++</sup>*

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The fascination of what's difficult  
Has dried the sap out of my veins, and rent  
Spontaneous joy and natural content  
Out of my heart. There's something ails our colt  
That must, as if it had not holy blood  
Nor on Olympus leaped from cloud to cloud,  
Shiver under the lash, strain, sweat and jolt  
As though it dragged road-metal. My curse on plays  
That have to be set up in fifty ways,  
On the day's war with every knave and dolt,  
Theatre business, management of men.  
I swear before the dawn comes round again  
I'll find the stable and pull out the bolt.<sup>1</sup>  
—W.B. Yeats

#### I. INTRODUCTION

The Leahy-Smith America Invents Act of 2011 (AIA)<sup>2</sup> introduced the most significant changes to the United States patent system in more than fifty years.<sup>3</sup> To some, the AIA has been an efficient means to cancel dubious patents.<sup>4</sup> To others, it is a system that too easily revokes granted patent rights.<sup>5</sup> All can agree, however, that the AIA has created a host of novel legal issues for the Federal Circuit and the United States Supreme Court.

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1. WILLIAM BUTLER YEATS, *The Fascination of What's Difficult*, in THE COLLECTED POEMS OF W.B. YEATS 88 (Richard J. Finneran, ed., 1989). In an outline of this poem, Yeats wrote in his diary, "Subject: To complain at the fascination of what's difficult. It spoils spontaneity and pleasure, and wastes time." A. NORMAN JEFFARES, A COMMENTARY ON THE COLLECTED POEMS OF W.B. YEATS 106 (1968).

2. America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (codified in scattered sections of 35 U.S.C. (2012)).

3. See, e.g., P. Andrew Riley, Jonathan R.K. Stroud & Jeffrey Totten, *The Surprising Breadth of Post-Grant Review for Covered-Business-Method Patents: A New Way to Challenge Patent Claims*, 15 COLUM. SCI. & TECH. L. REV. 235, 241 (2014); Paul Michel & Matthew J. Dowd, *The Uncertain State of Patent Law 10 Years into The Roberts Court*, INTELLECTUAL ASSET MANAGEMENT, Nov./Dec. 2016, at 27.

4. Riley et al., *supra* note 3, at 240.

5. See Michel & Dowd, *supra* note 3, at 33.

One such issue concerns standing under Article III of the United States Constitution. Standing is one of the most fundamental prerequisites for litigants in federal courts.<sup>6</sup> It constitutionally ensures that federal courts hear only “cases” or “controversies” and avoid advisory opinions or political questions.<sup>7</sup>

The AIA authorizes anyone,<sup>8</sup> except the patent owner, to seek cancellation of patent claims through its post-grant proceedings.<sup>9</sup> But an administrative petitioner seeking to cancel a patent before the United States Patent and Trademark Office (PTO) may not be able to establish independent Article III standing. While Article III standing is not required to participate in agency proceedings such as AIA reviews, it does limit who can participate in the review of the agency’s final decision at the district or appellate level.<sup>10</sup> That disconnect has led to uncertainty over whether all petitioners can seek judicial review of Patent Trial and Appeal Board (PTAB) final decisions.

Until recently, the United States Court of Appeals for the Federal Circuit had rarely ruled directly on appellate standing for administrative appeals.<sup>11</sup> The Federal Circuit had, of course, ruled on standing related to district court patent litigation,<sup>12</sup> but only recently did it directly address Article III standing in

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6. See *Allen v. Wright*, 468 U.S. 737, 750 (1984) (“All of the doctrines that cluster about Article III—not only standing but mootness, ripeness, political question, and the like—relate in part, and in different though overlapping ways, to an idea, which is more than an intuition but less than a rigorous and explicit theory, about the constitutional and prudential limits to the powers of an unelected, unrepresentative judiciary in our kind of government.”) (quotation omitted).

7. U.S. CONST. art. III, § 2, cl. 1. See *Massachusetts v. E.P.A.*, 549 U.S. 497, 516 (2007) (“Article III of the Constitution limits federal-court jurisdiction to ‘Cases’ and ‘Controversies.’”).

8. The Supreme Court recently granted a petition for certiorari in *Return Mail, Inc. v. United States Postal Service*, No. 17-1594, slip op. at 1 (U.S. Oct. 26, 2018), directed to the following question: “Whether the government is a “person” who may petition to institute review proceedings under the AIA.”

The appeal below referred to section 18(a)(1)(B) of the transitional covered business method proceeding set to sunset in 2020, which reads: “A person may not file a petition for a transitional proceeding with respect to a covered business method patent unless the person or the person’s real party in interest or privy has been sued for infringement of the patent or has been charged with infringement under that patent.” Leahy Smith America Invents Act of 2011, Pub. L. No. 112-29, 125 Stat. 329 (codified as amended in scattered sections of 35 U.S.C. § 321).

However, as the AIA’s governing statute for *inter partes* review (IPR) also includes the “person” language, the case will likely determine whether government agencies or organizations may petition for patent review.

9. 35 U.S.C. § 321(a) (2012).

10. See *Jasmine Networks, Inc. v. Super. Ct. of Santa Clara Cty.*, 103 Cal. Rptr. 3d 426, 432–33 (Cal. Ct. App. 2009).

11. See *Syntex (USA) Inc. v. U.S. Patent & Trademark Office*, 882 F.2d 1570, 1575–76 (Fed. Cir. 1989) (discussing earlier cases on the issue); see also *Boeing Co. v. Comm’r of Patents & Trademarks*, 853 F.2d 878, 881–82 (Fed. Cir. 1988).

12. See, e.g., *Prasco LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1338 (Fed. Cir. 2008) (demonstrating standing in a Declaratory Judgment Act case).

appeals.<sup>13</sup> These cases, while establishing some guidance, leave significant appellate standing questions unanswered.

With a limited body of patent-related standing cases from which to draw, the Federal Circuit runs the risk of fashioning an overly narrow, patent-specific standing jurisprudence if it does not consider the broader law addressing standing in appeals from all agency actions. Even the Federal Circuit's pre-AIA standing jurisprudence has been criticized as too restrictive.<sup>14</sup> The AIA's statutory purpose of a broad review of patents arguably broadened standing to the constitutional maximum when it authorized judicial review by any party "dissatisfied with the final written decision."<sup>15</sup>

We fill a gap in the literature concerning Article III standing to challenge patents under the AIA regime.<sup>16</sup> First, we provide a background of standing requirements under Article III, with emphasis on appeals from federal agency litigation. A substantial body of non-patent-related case law already addresses the question of standing on direct appeal from an agency decision; we draw on those examples.<sup>17</sup>

Next, we turn to the issue of standing of appellants, appellees, intervenors, and amici. Standing considerations differ, depending on the status of the entity. Under current Federal Circuit law, an appellant, as the party invoking the court's jurisdiction, must demonstrate Article III standing; an appellee need not have independent standing.<sup>18</sup> The Federal Circuit has but once addressed intervenor standing in AIA appeals.<sup>19</sup> The Supreme Court's recently explicated rule is that

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13. See *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1260–61 (Fed. Cir. 2014); see also *PPG Indus. v. Valspar Sourcing, Inc.*, 679 Fed. App'x 1002, 1004 (Fed. Cir. 2017).

14. Michael J. Burstein, *Rethinking Standing in Patent Challenges*, 83 GEO. WASH. L. REV. 498, 500 (2015) (contending that "the Federal Circuit has misconceived the injury that arises from even the mere existence of a patent, has crafted patent-specific standing rules that are more restrictive than those called for under the Supreme Court's broader standing precedents, and has created a misalignment between those who have the incentive to challenge patents and those who have standing to do so"); John F. Duffy, *Standing to Challenge Patents, Enforcement Risk, and Separation of Powers*, 83 GEO. WASH. L. REV. 628, 643 (2015) ("[E]ven within the Federal Circuit's own jurisprudence, there's a glaring inconsistency in how the court measures standing to challenge governmental grants of patent rights versus how it measures standing to challenge other governmental grants to competitors.").

15. 35 U.S.C. §§ 319, 329 (2012).

16. For other useful scholarship on appellate standing, see generally Amy J. Wildermuth & Lincoln L. Davies, *Standing, On Appeal*, 2010 U. ILL. L. REV. 957 (2010); Joan E. Steinman, *Irregulars: The Appellate Rights of Persons Who Are Not Full-Fledged Parties*, 39 GA. L. REV. 411, 414–15 (2005); Joan E. Steinman, *Shining a Light in a Dim Corner: Standing to Appeal and the Right to Defend a Judgment in the Federal Courts*, 38 GA. L. REV. 813, 816–17 (2004) [hereinafter Steinman, *Shining a Light*].

17. A majority of that case law has been developed by the United States Court of Appeals for the District of Columbia Circuit, given its jurisdiction over direct appeals from several federal agencies.

18. See *Pers. Audio, LLC v. Elec. Frontier Found.*, 867 F.3d 1246, 1250 (Fed. Cir. 2017).

19. *Knowles Elecs. LLC v. Iancu*, 886 F.3d 1369, 1372 n.2 (Fed. Cir. 2018).

an intervenor must have standing when it seeks relief not identical to the relief sought by the plaintiff, though the Federal Circuit may have sidestepped that by indicating the Director has independent standing to intervene.<sup>20</sup> An amicus, of course, need not have standing, filing generally at the permission of the court and parties.<sup>21</sup> Additionally, we note that the Supreme Court has recently asked for the Solicitor General's views on the issue of appellate standing in *RPX v. Chanbond* petition for certiorari, which suggests the high court may soon weigh in.<sup>22</sup>

We conclude by exploring various procedural and strategic issues associated with standing in appeals from the PTAB. The Federal Circuit is breaking new ground, having to make fact-based standing determinations for the first time on appeal. This creates an awkward responsibility for the court—particularly related to sensitive evidence and evidentiary scope—but there are options, including looking to the D.C. Circuit's longstanding procedures for guidance. For the parties involved, there are strategic considerations—what evidence to marshal and when, which arguments to advance, and the timing of when standing should be addressed.

## II. BACKGROUND

### A. Constitutional Justiciability Doctrine

The Constitution limits the power of federal courts, controlling which disputes they may entertain. Pursuant to Article III, the federal courts may only adjudicate certain “cases” or “controversies.”<sup>23</sup> The Supreme Court and other federal courts have elucidated several doctrines establishing Article III limits federal court jurisdiction to disputes that seek to “redress or prevent actual or imminently threatened injury to persons caused by private or official violation of law.”<sup>24</sup> The doctrines of standing, ripeness, and mootness (along with the redressability, advisory opinion, and political question doctrines), collectively distinguish the justiciable from the nonjusticiable—defining the scope of the authority for Article III courts.<sup>25</sup>

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20. *Town of Chester v. Laroe Estates, Inc.*, 137 S. Ct. 1645, 1648 (2017); see *Knowles*, 886 F.3d at 1372 n.2 (“The Director of the USPTO, thus, has standing.”).

21. See, e.g., *NGV Gaming, Ltd. v. Upstream Point Molate, LLC*, 355 F. Supp. 2d 1061, 1063, 1068 (N.D. Cal. 2005); *Rio Grande Pipeline Co. v. FERC*, 178 F.3d 533, 539 (D.C. Cir. 1999).

22. *RPX Corporation v. Chanbond LLC*, No. 17-1686, slip op. at 1 (U.S. Oct. 1, 2018) (“The Solicitor General is invited to file briefs in these cases expressing the views of the United States.”).

23. U.S. CONST. art. III, § 2, cl. 1.

24. *Summers v. Earth Island Inst.*, 555 U.S. 488, 492 (2009).

25. JARED P. COLE, CONG. RESEARCH SERV., *An Introduction to Judicial Review of Federal Agency Action* 6 n.58 (Dec. 7, 2016) (citing *Allen v. Wright*, 468 U.S. 737, 750 (1984)); see *Hollingsworth v. Perry*, 133 S. Ct. 2652, 2661 (2013) (discussing standing).

The doctrines of justiciability all largely spring from the Court's early opinion in *Marbury v. Madison*,<sup>26</sup> and reflect a deep-seeded desire written into our Constitution to maintain checks and balances between the three branches of Federal Government.

"Standing," as understood by most courts, is a judicial notion "rooted in the constitutionally limited subject matter jurisdiction of [federal] courts."<sup>27</sup> It is most commonly applied to a party's right to sue in a federal district court, but can also apply to a party's right to "stand" before an appeals court. Standing to sue was hinted at in *Fairchild v. Hughes*,<sup>28</sup> a case concerning woman's suffrage that held a general citizen lacked the ability to challenge his state's ratification of the 19th Amendment, which the court deemed a political question.<sup>29</sup> As the doctrine matured, courts grew adept at placing standing requirements within constitutional doctrine, most commonly citing the requirements of the Tenth Amendment and the separation of powers.<sup>30</sup> This is, in part, because Federal courts are not supposed to act as "superlegislature[s]" that make broad policy-based decisions.<sup>31</sup> Instead, the Framers created federal tribunals to resolve real-world disputes, with clearly defined questions of law based on facts.<sup>32</sup> In other words, "the judicial power may not be harnessed into a monitoring role over federal agencies that should be conducted by Congress."<sup>33</sup>

To demonstrate the "irreducible constitutional minimum of standing," plaintiffs must meet three requirements.<sup>34</sup> First, the plaintiff must demonstrate an "injury in fact" that is both concrete and particularized—that is, an actual or imminent injury, rather than merely conjectural or hypothetical.<sup>35</sup> Second, the

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26. 5 U.S. 137 (1803). ("The Constitution vests the whole judicial power of the United States in one Supreme Court, and such inferior courts as Congress shall, from time to time, ordain and establish. This power is expressly extended to all cases arising under the laws of the United States; and consequently, in some form, may be exercised over the present case; because the right claimed is given by a law of the United States."). Perhaps the leading scholar on justiciability, Dean Edwin Chemerinsky, divides it into four distinct doctrines: standing, ripeness, mootness, and political question. He notes that the first three are constitutional while the fourth is prudential, though courts routinely overlap or confuse the doctrines. See Edwin Chemerinsky, *A Unified Approach to Justiciability*, 22 CONN. L. REV. 677, 677–78, 683 (1990) (discussing the four doctrines, noting substantial overlap, and advocating for a unified approach to all such questions).

27. *Jasmine Networks Inc. v. Super. Ct. of Santa Clara Cty.*, 103 Cal. Rptr. 3d 426, 432 (Cal. Ct. App. 2009).

28. 258 U.S. 126 (1922).

29. *Id.* at 129–30.

30. See *Bond v. United States*, 134 S. Ct. 2077, 2086 (2014); see also Steinman, *Shining a Light*, *supra*, note 16, at 829.

31. *New Orleans v. Dukes*, 427 U.S. 297, 303 (1976).

32. *Summers v. Earth Island Inst.*, 555 U.S. 488, 492 (2009).

33. *COLE*, *supra* note 25, at 6 (citing *Allen v. Wright*, 468 U.S. 737, 760 (1984)).

34. *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 560 (1992).

35. *Id.*



injury must be fairly traceable to the challenged action.<sup>36</sup> Third, the injury must be redressable by a favorable judicial decision.<sup>37</sup>

Even when the three elements are met, principles of prudence may counsel against a court adjudicating some legal claims.<sup>38</sup> This is known as “prudential standing.”<sup>39</sup> The doctrine of prudential standing generally consists of three equitable bars: “[1] the general prohibition on a litigant’s raising another person’s legal rights, [2] the rule barring adjudication of generalized grievances more appropriately addressed in the representative branches, and [3] the requirement that a plaintiff’s complaint fall within the zone of interests protected by the law invoked.”<sup>40</sup> An individual court may ignore or overcome such considerations as vested to its discretion. Similarly, Congress may, by statute, obviate any prudential standing concerns by “grant[ing] an express right of action to persons who otherwise would be barred by prudential standing rules.”<sup>41</sup> Prudential limits on standing are “essentially matters of judicial self-governance.”<sup>42</sup> Further, “[r]ules of prudential standing, by contrast, are more flexible ‘rule[s] . . . of federal appellate practice.’”<sup>43</sup> They shield courts from “decid[ing] abstract questions of wide public significance even though other governmental institutions may be more competent to address the questions and even though judicial intervention may be unnecessary to protect individual rights.”<sup>44</sup>

To be sure, “Congress may enact statutes creating legal rights, the invasion of which creates standing, even though no injury would exist without the statute.”<sup>45</sup> But just how far Congress may go to spark such standing is unclear. In *Lujan v. Defenders of Wildlife*, the Supreme Court distinguished Congress’s ability to expand categories of standing, which may in effect lower certain litigants’ burden regarding redressability and immediacy if a procedural right is triggered,

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36. *Id.*

37. *Id.* at 561.

38. *Elk Grove Unified Sch. Dist. v. Newdow*, 542 U.S. 1, 11 (2004).

39. *Id.* at 12.

40. *Id.* (quoting *Allen v. Wright*, 468 U.S. 737, 751 (1984)).

41. *Warth v. Seldin*, 422 U.S. 490, 501 (1975).

42. *Id.* at 500.

43. *United States v. Windsor*, 133 S. Ct. 2675, 2686 (2013) (quoting *Deposit Guar. Nat’l Bank v. Roper*, 445 U.S. 326, 333 (1980)).

44. *Warth*, 422 U.S. at 500; see S. Todd Brown, *The Story of Prudential Standing*, 42 HASTINGS CONST. L.Q. 95, 96 (2014) (“Technically speaking, *prudential standing* is not really ‘standing’ at all; it is merely a judicially crafted set of exceptions to the obligation to hear and decide matters that are within the court’s jurisdiction.”).

45. *Linda R.S. v. Richard D.*, 410 U.S. 614, 618 n.3 (1973); *Warth*, 422 U.S. at 514 (“Congress may create a statutory right or entitlement[,] the alleged deprivation of which can confer standing to sue even where the plaintiff would have suffered no judicially cognizable injury in the absence of statute.”); *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 578 (1992).

from the overarching constitutional standing requirements.<sup>46</sup> As expressed in Justice Kennedy's concurrence, "Congress has the power to define injuries and articulate chains of causation that will give rise to a case or controversy where none existed before."<sup>47</sup>

### B. Article III and Administrative Standing on Appeal

Article III standing is not required for proceedings before administrative agencies such as the PTO.<sup>48</sup> Instead, "the starting point for a standing determination for a litigant before an administrative agency . . . is the statute that confers standing before that agency."<sup>49</sup> Courts reviewing cases appealed from federal agencies have made this clear.<sup>50</sup> Thus, Congress can grant—and seemingly has granted—standing for virtually anyone to participate in some types of federal agency proceedings.<sup>51</sup>

But constitutional requirements for standing apply just as they do to in the district court.<sup>52</sup> The Supreme Court has carried over into appeals much of the same constitutional weight for standing required by the initial threshold for standing to sue in the district court.<sup>53</sup> Both standing to sue and standing to appeal require the same three elements: injury in fact, causation, and redressability.<sup>54</sup>

For this reason, courts enforce the standing requirement when a party appeals from an administrative agency to an Article III court.<sup>55</sup> For instance, the D.C. Circuit frequently addresses standing first on appeal because that court has jurisdiction over direct appellate review of several agency decisions, for which

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46. *Lujan*, 504 U.S. at 573 n.7 (noting "[t]he person who has been accorded a procedural right to protect his concrete interests can assert that right without meeting all the normal standards for redressability and immediacy"). Nonetheless, the *Lujan* Court held that the alleged injury of failure to be consulted regarding overseas funding for endangered wildlife was not sufficient to confer standing. *Id.*

47. *Id.* at 580 (Kennedy, J., concurring).

48. *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1261 (Fed. Cir. 2014).

49. *See Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999).

50. *See, e.g., Cal. Ass'n of Physically Handicapped, Inc. v. FCC*, 778 F.2d 823, 826 n.8 (D.C. Cir. 1985) ("The Article III restrictions under which this court operates do not, of course, apply to the FCC. The Commission may choose to allow persons without Article III 'standing' to participate in FCC proceedings.")

51. *Wildermuth & Davies*, *supra* note 16, at 966 (explaining that the language in the relevant agency's statutory grant of authority is the determinant).

52. *See Hollingsworth v. Perry*, 133 S. Ct. 2652, 2661 (2013) (explaining that "Article III demands that an 'actual controversy' persist throughout all stages of litigation").

53. *See id.* at 2661, 2668.

54. *See id.* at 2661. This is true even though, arguably, the same constitutional doctrines that would apply to standing to sue do not logically apply to standing to appeal. For example, the same issue of separation of powers would not logically exist of a higher court reviewing the decision of a lower court. *See Steinman, Shining a Light*, *supra*, note 16, at 839–47.

55. *See, e.g., Sierra Club v. EPA*, 292 F.3d 895, 898 (D.C. Cir. 2002).

standing need not be demonstrated below.<sup>56</sup> Other appellate courts do as well.<sup>57</sup> Although the Supreme Court has noted standing remains a constitutional question on appeal, one commentator notes that, “some pronouncements in Supreme Court opinions cloud which aspects of standing to appeal are of constitutional magnitude and which have been imposed by the Court in the interest of prudent judicial administration.”<sup>58</sup> The Circuit courts wrestle with those distinctions. As discussed below, the Federal Circuit recently held as a matter of first impression that a party appealing a PTAB decision—or any administrative decision from the PTO—must demonstrate Article III standing.<sup>59</sup> In contrast, the Supreme Court has suggested—and the Federal Circuit has followed—that a non-moving party need not prove standing on appeal.<sup>60</sup>

For example, in *ASARCO Inc. v. Kadish*,<sup>61</sup> the Supreme Court held that even though the plaintiff-respondents lacked independent Article III standing and thus could not have filed an action in federal court, the Court nonetheless had jurisdiction over the appeal, as the petitioners had suffered “a specific injury stemming from the [adverse] state-court decree.”<sup>62</sup> The Court did not question the participation of the plaintiff-respondents in the appeal. To the contrary, the Court recognized that “[t]hese parties remain adverse” because the plaintiff-respondents were defending the state court’s judgment, and that the appeal would resolve a “genuine case or controversy.”<sup>63</sup>

No court has definitively held that Article III standing applies *independently* to appellees where appellants have standing; rather, most courts suggest that if the party invoking the court’s jurisdiction establishes Article III standing, then the inquiry is resolved.<sup>64</sup> To be sure, some circuit cases, as discussed below, suggest that all parties to an appeal might need to demonstrate independent

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56. *See id.* at 899.

57. *See, e.g.*, *Sierra Club v. EPA*, 781 F.3d 299, 305–306 (6th Cir. 2015); *N. Laramie Range Alliance v. FERC*, 733 F.3d 1030, 1034 (10th Cir. 2013); *Iowa League of Cities v. EPA*, 711 F.3d 844, 869–70 (8th Cir. 2013); *Citizens Against Ruining The Env’t v. EPA*, 535 F.3d 670, 675 (7th Cir. 2008).

58. *See* Steinman, *Shining a Light*, *supra*, note 16, at 840–41.

59. *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1260–61 (Fed. Cir. 2014).

60. *ASARCO Inc. v. Kadish*, 490 U.S. 605, 618 (1989).

61. *Id.*

62. *Id.* at 617–18. Justices Brennan, White, Marshall, Blackmun, and Stevens joined this conclusion as well. *Id.* at 633.

63. *Id.* at 619 (quoting *Tileston v. Ullman*, 318 U.S. 44, 46 (1943)).

64. *See, e.g.*, *Bond v. Utreras*, 585 F.3d 1061, 1070 (7th Cir. 2009) (holding that an intervenor’s standing was irrelevant when another plaintiff already satisfied the standing requirement); *Legault v. Zambarano*, 105 F.3d 24, 26 (1st Cir. 1997) (dismissing the challenge to appellee’s standing as a “meaningless quibble”). Certainly, there is no constitutional requirement that an entity or individual have redundant Article III standing to participate in a proceeding and defend a judgment, as evidenced by courts’ frequent practice of appointing attorneys as *amicus curiae* to defend lower-court judgments. *See e.g.*, *Welch v. United States*, 136 S. Ct. 1257, 1263 (2016).

Article III standing. But the dominant view reflects that an appellee is almost invariably in the best position to provide “that concrete adverseness which sharpens the presentation of issues.”<sup>65</sup>

Take *Camreta v. Greene*,<sup>66</sup> in which the Supreme Court found that an opposing party “must have an ongoing interest in the dispute, so that the case features ‘that concrete adverseness[,] which sharpens the presentation of issues.’”<sup>67</sup> Later courts have suggested this supports the idea that each party must prove independent Article III standing, even on appeal. It does not. *Camreta* does not describe constitutional Article III standing, but rather, prudential standing, which can be relaxed by statute.<sup>68</sup>

Notwithstanding that finer point, standing is a highly factual determination that is difficult to predict, so much so that the Supreme Court has commented that “[g]eneralizations about standing to sue are largely worthless as such.”<sup>69</sup> Thus, guidance about standing has limited practical value outside the confines of a particular case.

### C. Associational Standing

Trade, business, and advocacy associations are common parties to PTO and other administrative proceedings, and present specific standing issues. Associations, like corporations, can demonstrate standing based on the identity and interests of their members.<sup>70</sup> Associational standing is established by the following test: “[1] its members would otherwise have standing to sue in their own right, [2] the interests at stake are germane to the organization’s purpose, and [3] neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit.”<sup>71</sup>

The Federal Circuit has not yet addressed the issue of associational standing in a PTAB case,<sup>72</sup> and while a fulsome discussion of associational standing is outside the scope of this Article, such disputes could be another source of future analysis. Many industry and professional associations are frequent filers, as was the case in *Ass’n for Molecular Pathology v. United States Patent and*

65. *Los Angeles v. Lyons*, 461 U.S. 95, 101 (1983) (quoting *Baker v. Carr*, 369 U.S. 186, 204 (1962)).

66. 563 U.S. 692 (2011).

67. *Id.* at 701 (quoting *Lyons*, 461 U.S. at 101).

68. *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1261 (Fed. Cir. 2014); *see also* *United States v. Windsor*, 133 S. Ct. 2675, 2685–86 (2013) (recognizing this requirement’s prudential nature).

69. *Ass’n of Data Processing Serv. Orgs., Inc. v. Camp*, 397 U.S. 150, 151 (1970).

70. *Int’l Union v. Brock*, 477 U.S. 274, 282 (1986) (citing *Hunt v. Wash. State Apple Advert. Comm’n*, 432 U.S. 333, 343 (1977)).

71. *Friends of the Earth, Inc. v. Laidlaw Environmental Servs.*, 528 U.S. 167, 181 (2000).

72. Donald R. Steinberg & Vera A. Shmidt, *Can an Industry Group Appeal an Unfavorable IPR Decision?*, BNA’S PATENT, TRADEMARK & COPYRIGHT J. (Nov. 24, 2017), <http://documents.jdsupra.com/c8a7b9d3-437c-423a-9a02-0dd527af3d48.pdf>.

*Trademark Office*,<sup>73</sup> which consisted of a coalition of interest groups.<sup>74</sup> For a relevant case in the closely related Trademark Trial and Appeal Board (TTAB) context, which is also beyond the scope of this Article, look to *Jewelers Vigilance Committee v. Ullenberg Corp.*<sup>75</sup> for a detailed discussion. And note that governmental organizational standing may also play a role; at least one scholar, Tara Grove, has recently questioned whether governmental organizations should be allowed to be plaintiffs alleging “institutional injuries.”<sup>76</sup>

An important issue regarding associational standing is whether claim preclusion will apply against the members of the association based on litigation brought by the association. Like other aspects of standing, the application of claim preclusion against the association’s members is fact-dependent.<sup>77</sup>

### III. APPELLANT STANDING

To date, the Federal Circuit has only ruled on a handful of cases addressing standing to appeal from a PTAB decision. The first set of cases concerns the question of appellant standing. In analyzing these cases, bear in mind any question about standing is highly fact-dependent, and standing before the Federal Circuit will, in many cases, be difficult to predict. The myriad of potential factual scenarios leave plenty of opportunity for further standing rulings from the court. That said, the following analyses sets out a rough framework for how to best approach the issue.

#### A. Consumer Watchdog

The Federal Circuit first confronted the standing issue in a pre-AIA appeal, *Consumer Watchdog v. Wisconsin Alumni Research Foundation*.<sup>78</sup> The case

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73. 467 Fed. App’x 890 (Fed. Cir. 2012).

74. *Id.* (deciding *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 566 U.S. 902 (2012) on remand).

75. 823 F.2d 490, 490, 492 (Fed. Cir. 1987) (discussing associational standing to appeal a TTAB proceeding).

76. Tara L. Grove, *Governmental Standing and the Fallacy of Institutional Injury*, 167 U. PA. L. REV. 3 (forthcoming 2019). The question has tangential relevance to the recently granted *Return Mail, Inc. v. United States Postal Service* case, which asks whether governmental organizations are “persons” for purposes of the IPR and CBM statutes of the AIA. No. 17-1594, slip op. at 1 (U.S. Oct. 26, 2018) (order granting cert as to question 1: “Whether the government is a “person” who may petition to institute review proceedings under the Leahy-Smith America Invents Act.”).

77. See *United Food & Commercial Workers Union Local 751 v. Brown Grp., Inc.*, 517 U.S. 544, 556 n.6 (1996) (“The germaneness of a suit to an association’s purpose may, of course, satisfy a standing requirement without necessarily rendering the association’s representation adequate to justify giving the association’s suit preclusive effect as against an individual ostensibly represented.”); *Int’l Union v. Brock*, 477 U.S. 274, 290 (1986) (“Should an association be deficient [in regard to whether it is an adequate representative of its injured members], a judgment won against it might not preclude subsequent claims by the association’s members without offending due process principles.”).

78. 753 F.3d 1258 (Fed. Cir. 2014).

concerned patents relating to human embryonic stem cell cultures owned by the Wisconsin Alumni Research Foundation (WARF).<sup>79</sup> The patent challenge focused on whether stem cells were patent-eligible subject matter; the standing issue arose as an afterthought.<sup>80</sup> According to its website, “Consumer Watchdog [formerly, the Foundation for Taxpayer and Consumer Rights] is a nonprofit organization dedicated to providing an effective voice for taxpayers and consumers in an era when special interests dominate public discourse, government and politics.”<sup>81</sup> As a nonprofit, Consumer Watchdog rarely concerns itself with patent rights, but the changing landscape of patent eligibility law, together with patent office reexaminations, created an opportunity for the advocacy group to push back on what it believed were invalid patents, which “loot taxpayer funds and force research overseas.”<sup>82</sup> Thus, the patent challenge, in Consumer Watchdog’s view, furthered its institutional goals of benefiting consumers and the public at large.

The WARF patents at issue covered human embryonic stem cells.<sup>83</sup> Because the WARF patents were widely licensed to researchers doing embryonic stem cell research and held significance in the research world, Consumer Watchdog requested an *inter partes* reexamination of these patents.<sup>84</sup> After the PTO failed to cancel the challenged claims as requested, Consumer Watchdog appealed to the Federal Circuit, seeking judicial review of the PTAB’s decision.<sup>85</sup> As the party “seeking to invoke federal jurisdiction,” Consumer Watchdog bore the burden of establishing Article III standing, which included proving that it suffered an “injury in fact.”<sup>86</sup> Because Consumer Watchdog had “not allege[d] that it [was] engaged in any activity involving human embryonic stem cells that could form the basis for an infringement claim,” the Federal Circuit held that it had failed to establish an injury in fact.<sup>87</sup>

Crucially, Consumer Watchdog conceded that it had neither connection to the patent at issue nor the claimed subject matter, other than alleging, without supporting evidence, that WARF’s “broad and aggressive assertion of [its] patent has put a severe burden on taxpayer-funded research in the State of California where [Consumer Watchdog] is located.”<sup>88</sup> According to Consumer

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79. *Id.* at 1260.

80. *Id.*

81. *About*, CONSUMER WATCHDOG, <http://www.consumerwatchdog.org/about> (last visited Dec. 15, 2018).

82. *Groups Challenge Stem Cell Patents that Loot Taxpayer Funds and Force Research Overseas: Univ. of Wisconsin Affiliate Claims Rights to All Embryonic Stem Cells Used for Research*, PUB. PATENT FOUND. (Jul. 18, 2006), <http://www.pubpat.org/warfstemcellsfiled.htm>.

83. *Consumer Watchdog*, 753 F.3d at 1260.

84. *Id.* at 1260, 1262.

85. *Id.* at 1260–61.

86. *Id.* (citing *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 560–61 (1992)).

87. *Id.* at 1261–62.

88. *Id.* at 1260.

Watchdog, it filed the reexamination request because “it was concerned that the [patent at issue] allowed WARF to completely preempt all uses of human embryonic stem cells, particularly those for scientific and medical research.”<sup>89</sup>

The Federal Circuit found that Consumer Watchdog suffered no injury in fact because the PTAB’s decision “did not invade any legal right conferred upon Consumer Watchdog[,]” which “was not denied anything to which it was entitled.”<sup>90</sup> It was not threatened with suit; indeed, it did not practice the invention and would not have been harmed by an assertion or the existence of the patent *per se*. So while it was able to invoke administrative review, the court noted that “[a] statutory grant of a procedural right, e.g., right to appeal, does not eliminate the requirements of Article III.”<sup>91</sup> For example, “the statutory grant of a procedural right does not eliminate the requirement that [a party must] have a particularized, concrete stake in the outcome of the [administrative proceeding].”<sup>92</sup>

A statutory procedural right also “distinguishe[d] the [] inquiry from that governing a declaratory judgment action.”<sup>93</sup> In the declaratory judgment context, jurisdiction turns on “whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.”<sup>94</sup> Applying this “all the circumstances” test, the Federal Circuit has held that a declaratory judgment plaintiff “must allege both (1) an affirmative act by the patentee related to the enforcement of his patent rights . . . and (2) meaningful preparation to conduct potentially infringing activity.”<sup>95</sup> By contrast, while a patent challenger with the statutory right to appeal a PTAB decision must assert an injury in fact to establish standing, the injury need not be imminent or likely to be redressed by a favorable decision.<sup>96</sup>

#### B. Phigenix, Inc.

The next case in which the Federal Circuit examined standing on an appeal from the PTAB—the first in the post-AIA context—was *Phigenix, Inc. v.*

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89. *Id.*

90. *Id.* at 1262.

91. *Id.*

92. *Id.*

93. *Id.*

94. *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007) (quoting *Md. Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 273 (1941)).

95. *Ass’n for Molecular Pathology v. U.S. Patent & Trademark Office*, 689 F.3d 1303, 1318 (Fed. Cir. 2012) *rev’d on other grounds*, *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 596 (2013).

96. *See Consumer Watchdog*, 753 F.3d at 1262 (“A statutory grant of a procedural right may relax the requirements of immediacy and redressability, and eliminate any prudential limitations.”) (citing *Mass. v. EPA*, 549 U.S. 497, 517–18 (2007)).

*ImmunoGen, Inc.*<sup>97</sup> In *Phigenix*, an appeal from an unfavorable *inter partes* review (IPR), the Federal Circuit laid out the evidentiary and legal requirements of administrative standing on appeal, and found that the appellant had not borne its burden to demonstrate that it had Article III standing on appeal.<sup>98</sup>

While the court adopted the appellant's legal theory for analyzing standing, it found that the evidence failed to prove an injury in fact.<sup>99</sup> This is encouraging, as the majority of standing opinions at the Federal Circuit, not surprisingly, focus solely on patent infringement or the threat thereof, and limiting the appellate standing inquiry to just the question of infringement or threat of infringement could have been, in our view, unduly limiting and not in line with the broader inquiry endorsed by the high court and the other Circuits. Thus, while *Phigenix* was a "loss" for the appellant, it was a win for those advocating for standing beyond the threat of infringement analysis typically applied by the Federal Circuit in declaratory judgment actions.<sup>100</sup>

The appellant, Phigenix, was a small research company seeking to license its own technology relating to conjugates of an antibody with an anticancer agent.<sup>101</sup> ImmunoGen gave a license for the '856 patent to Genentech, which then produced the FDA-approved drug Kadcyla.<sup>102</sup> Phigenix contended that the use and sale of Kadcyla infringed Phigenix's patent '534.<sup>103</sup> Genentech declined to take a license for Phigenix's patent.<sup>104</sup> At the time, Genentech had taken a "worldwide exclusive license" to ImmunoGen's '856 patent for the use and sale of Kadcyla.<sup>105</sup> Given Genentech's existing legal obligation to pay ImmunoGen for the '856 patent license, Phigenix viewed ImmunoGen's '856 patent as the primary reason Genentech declined to license Phigenix's patent.<sup>106</sup> Phrased another way, in Phigenix's view, the existence of ImmunoGen's '856 patent was causing financial harm to Phigenix.<sup>107</sup>

To remedy this harm, Phigenix sought to cancel the claims of the '856 patent.<sup>108</sup> Phigenix filed an *inter partes* review (IPR) petition, asserting that the claims of ImmunoGen's '856 patent were obvious.<sup>109</sup> The PTAB ultimately held

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97. 845 F.3d 1168 (Fed. Cir. 2017). As a point of disclosure, this Article's author Matthew Dowd was the principal author of the appellant's briefs in *Phigenix* but did not argue the appeal.

98. *Id.* at 1172–75.

99. *Id.* at 1172–74.

100. *Id.* at 1173–75.

101. *Id.* at 1170.

102. *Id.*

103. *Id.*

104. *Id.*

105. *Id.*

106. *Id.* at 1174.

107. *Id.*

108. *Id.* at 1170.

109. *Id.*



that Phigenix had not proven by a preponderance of the evidence that the claims were obvious.<sup>110</sup> Phigenix then appealed to the Federal Circuit.<sup>111</sup>

On appeal, ImmunoGen raised the issue of Phigenix's standing in a motion to dismiss—a somewhat rare occurrence on appeal.<sup>112</sup> ImmunoGen sought to dismiss the appeal prior to traditional briefing.<sup>113</sup> The court declined ImmunoGen's invitation for an early dismissal, instead ordering the parties to proceed with briefing on the merits.<sup>114</sup>

The court faced several novel issues that distinguished this case from *Consumer Watchdog*. The court noted that “[i]n the nearly thirty-five years since the court's inception, [it has] not established the legal standard for demonstrating standing in an appeal from a final agency action.”<sup>115</sup> The court explained, “This standard must identify the burden of production; the evidence an appellant must produce to meet that burden; and when an appellant must produce that evidence.”<sup>116</sup>

Here, the court applied the approach adopted by the D.C. Circuit and several other federal circuit courts, holding that “an appellant's burden of production is ‘the same as that of a plaintiff moving for summary judgment in the district court.’”<sup>117</sup> The court also concluded that this evidence may come from record evidence, or it may be supplemented on appeal; though the court, like the D.C. Circuit, admonished that “if there is no record evidence to support standing, the appellant must produce such evidence at the appellate level at the earliest possible opportunity.”<sup>118</sup>

The court determined that Phigenix's evidence was insufficient.<sup>119</sup> By way of an expert declaration, Phigenix had presented evidence, on appeal, that “[t]he existence of ImmunoGen's ‘856 patent has . . . encumber[ed] Phigenix's licensing efforts.”<sup>120</sup> Phigenix also provided “a letter highlighting concerns over the ‘856 patent's validity that its attorney sent to ImmunoGen [which] ‘underscores the actual, concrete controversy’ between the parties.”<sup>121</sup> The Phigenix letter also stated that Phigenix “believes that it has a strong patent portfolio [and] ‘believes’ that the ‘856 patent is invalid.”<sup>122</sup> In short, the submitted evidence

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110. *Phigenix, Inc. v. ImmunoGen, Inc.*, IPR2014-00676, 2015 WL 6550500, at \*1 (P.T.A.B. 2015).

111. *Phigenix*, 845 F.3d at 1170.

112. *Id.* at 1170–71.

113. *Id.*

114. *Id.* at 1171.

115. *Id.* at 1172.

116. *Id.*

117. *Id.* (citing *Sierra Club v. EPA*, 292 F.3d 895, 899 (D.C. Cir. 2002)).

118. *Id.* at 1173.

119. *Id.* at 1174.

120. *Id.*

121. *Id.*

122. *Id.*

attempted to establish the Phigenix's injury—that is, Phigenix's inability to license its own patent to Genentech—was attributable to the existence of ImmunoGen's '856 patent.<sup>123</sup>

As noted, the court was unpersuaded by Phigenix's evidence.<sup>124</sup> The court relied on Federal Rule of Civil Procedure 56(c)(4), which requires that a “declaration used to support . . . a motion must be made on personal knowledge, set out *facts* that would be admissible in evidence, and show that the . . . declarant is competent to testify on the matters stated.”<sup>125</sup> Phigenix's evidence of “[t]he conclusory statements in the Gold Declaration and the letter as to the hypothetical licensing injury . . . [did] not satisfy the requirements of Rule 56(c)(4).”<sup>126</sup>

Importantly, the court found Phigenix's standing lacking, but did not reject Phigenix's legal theory of injury in fact.<sup>127</sup> The court expressly acknowledged that “if Phigenix had licensed the '534 patent to the same parties to which ImmunoGen had licensed the '856 patent, the invalidation of the '856 patent might have increased Phigenix's revenues.”<sup>128</sup> Decreased revenue is a classic financial harm that can satisfy the injury in fact requirement of Article III.<sup>129</sup>

*Phigenix* is an important case in several respects. For one, the Circuit, for the first time, articulated a test and the burdens for appellate standing from administrative actions—one broader than the test used for establishing declaratory judgment jurisdiction.<sup>130</sup> ImmunoGen argued that standing was controlled entirely by *Consumer Watchdog* and, therefore, Phigenix lacked standing because it failed to establish any threat of an infringement suit.<sup>131</sup> The court rejected this narrow view of standing, and instead acknowledged that, under certain circumstances, the '856 patent could have negatively affected Phigenix's revenues.<sup>132</sup> Second, it highlighted the *type* of evidence that could be offered, and provided guidance as to *when such evidence should be presented*,

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123. *Id.*

124. *Id.*

125. *Id.* (quoting FED. R. CIV. P. 56(c)(4)).

126. *Id.*

127. *Id.*

128. *Id.*

129. *See Ass'n of Data Processing Serv. Orgs., Inc. v. Camp*, 397 U.S. 150, 154 (1970) (“Certainly he who is ‘likely to be financially’ injured, may be a reliable private attorney general to litigate the issues of the public interest in the present case.”) (citation omitted); *White v. United States*, 601 F.3d 545, 552 (6th Cir. 2010) (noting that “economic injuries may constitute an injury-in-fact for the purposes of Article III standing.”); *Lambert v. Hartman*, 517 F.3d 433, 438 (6th Cir. 2008) (finding that the allegation of stolen identity and the resulting negative credit rating and financial security impacts provided sufficient injury to confer standing).

130. *See Phigenix*, 845 F.3d at 1172–75 (Fed. Cir. 2017) (adopting a three-part test for standing in an appeal from a final agency action that is broader than the test for standing in a declaratory judgment action).

131. *Id.* at 1175–76.

132. *Id.* at 1174.

and how.<sup>133</sup> Thus, Phigenix's failure on appeal was not its legal theory but its evidentiary failure of proof. Third, it established that, sometimes, the standing issue is best decided with the merits of an appellate opinion; in others, through a motion to dismiss.<sup>134</sup> These all have important procedural and strategic implications.

### C. PPG Industries

The next Federal Circuit standing case was *PPG Industries, Inc. v. Valspar Sourcing, Inc.*<sup>135</sup> The opinion was non-precedential;<sup>136</sup> it thus does not bind future disputes. However, it does provide some insight into what certain judges believe is sufficient to establish standing on appeal from the PTAB.

The dispute in *PPG Industries* arose as an *inter partes* reexamination of two patents owned by the appellee, Valspar.<sup>137</sup> When PPG filed the IPR regarding Valspar's patents, "there was no pending district court litigation" involving the patents.<sup>138</sup> There was also no patent litigation regarding the two patents between the parties during the length of the reexaminations.<sup>139</sup> The PTAB concluded the reexaminations in favor of the patent owner, Valspar; PPG then appealed to the Federal Circuit for judicial review.<sup>140</sup>

On appeal, Valspar's first argument was that, "PPG had no standing to appeal the PTAB decisions because there was no Article III case or controversy."<sup>141</sup> In response, the court—sitting as a three-judge panel—requested additional briefing from the parties on the standing dispute.<sup>142</sup> Part of Valspar's additional briefing identified a covenant not to sue, which Valspar unilaterally granted to PPG. It is reproduced in part below:

[Valspar] covenant[s] not to sue PPG Industries, Inc. or any of its subsidiaries or customers (collectively, 'PPG') for infringement of any claim of [U.S. Patent No. 7,592,047] or [U.S. Patent No. 8,092,876] as of the date of this Covenant Not To Sue based on PPG's manufacture, importation, use, sale and/or offer for sale of any currently existing products or use of methods and of prior existing products or prior use of methods.<sup>143</sup>

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133. *Id.* at 1172–75

134. *Id.*

135. 679 Fed. App'x 1002 (Fed. Cir. 2017).

136. *Id.* at 1002.

137. *Id.* at 1003–04.

138. *Id.* at 1004.

139. *Id.*

140. *Id.*

141. *Id.*

142. *Id.* at 1002, 2004.

143. *Id.* at 1004. The court's opinion does not state when the covenant not to sue was executed, but the document in the court's record indicates that it was executed on November 15, 2016.

The parties also briefed the issue of whether the appeal was moot based on the covenant not to sue.<sup>144</sup> The court then ruled on jurisdiction and mootness.<sup>145</sup>

In a short, non-precedential opinion, the Federal Circuit held that PPG did establish standing to sue at the time the appeal was filed, but that the appeal was moot.<sup>146</sup> The opinion's standing analysis is terse, but it does identify several pieces of evidence that guided the court's standing determination. The court explained that:

(1) by the time PPG filed its notice of appeal in this case, it had already launched a commercial can-interior coating for the beverage can industry; and (2) PPG had received at least one inquiry from a customer suggesting that Valspar intended to pursue infringement litigation against PPG related to its can-interior coating.<sup>147</sup>

Thus, the court concluded that PPG had standing under Article III.<sup>148</sup> The court distinguished PPG's case from the facts in *Consumer Watchdog* in two ways:

Unlike *Consumer Watchdog*, PPG is and was 'engaged in . . . activity involving [the patented subject matter] that could form the basis for an infringement claim,' and has 'other connection[s] to the [patents] or the claimed subject matter,' sufficient to 'have a particularized, concrete stake in the outcome of the reexamination.'<sup>149</sup>

In the court's view, "[t]his stake is enhanced by the 'estoppel provisions contained within the inter partes reexamination statute.'"<sup>150</sup>

Although the court's analysis is short, one point is worth noting: the court's analysis appears to parallel—or at least draw from—the traditional standing analysis for declaratory judgment actions. The court noted that PPG had begun making or selling a can-interior coating, which was presumably a product that PPG believed would cause Valspar to base an infringement claim on.<sup>151</sup> The court also noted that at least one of PPG's customers informed PPG of Valspar's infringement concern.<sup>152</sup> While the evidence did not show an expressed threat

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144. *Id.*

145. *Id.*

146. *Id.* (stating "the controversy as to the patented subject matter is mooted by the Covenant Not To Sue").

147. *Id.* (citations omitted).

148. *Id.*

149. *Id.* at 1005 (citation omitted) (citing *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1261–62 (Fed. Cir. 2014)).

150. *Id.* (citing *Consumer Watchdog*, 753 F.3d at 1262).

151. *Id.* at 1004.

152. *Id.* The panel's conclusion appears to rest on the concept of supplier standing based on a customer being accused of infringement. It is worth noting that, for a supplier to establish standing, the supplier must show more than merely that a customer was accused of infringement. See *Microsoft Corp. v. DataTern, Inc.*, 755 F.3d 899, 903 (Fed. Cir. 2014) (noting that the supplier must show more than mere accusation of infringement to establish standing) (citing *Arris Grp., Inc. v. British Telecomms. PLC.*, 639 F.3d 1368, 1375 (Fed. Cir. 2011)); *Cisco Sys. Inc. v. Alberta*

of suit by Valspar against PPG, the evidence was similar to the type that was sufficient to establish standing in previous patent declaratory judgment actions.<sup>153</sup>

*PPG Industries* is, as noted, a non-precedential decision. It would be unwise to read too much into the conclusions. Nonetheless, the opinion presents guideposts for establishing appellant standing on appeal from the PTAB; the exact force of those guideposts will likely be tested in future litigation.

#### D. Mylan Pharmaceuticals

Another case addressing appellant standing in the AIA context is *Mylan Pharmaceuticals, Inc. v. Research Corp. Technologies*.<sup>154</sup> As of the time of writing, the court has not ruled on the presented standing issue; therefore, the following issues are raised with possible outcomes. *Mylan* raises a novel standing issue relevant to both appellant standing and joinder of petitioners under 35 U.S.C. § 315.

*Mylan* is an appeal from an IPR involving a patent directed to an FDA-approved antiepileptic drug, Vimpat, which contains lacosamide.<sup>155</sup> Patent ‘551 at issue was owned by Research Corporation and licensed to UCB, which marketed Vimpat.<sup>156</sup> The active component, lacosamide, was specifically claimed in the ‘551 patent but had previously been the subject of patent protection in two separate U.S. patents, which had expired by the time of the IPR.<sup>157</sup> This IPR was filed by a generic drug company called Argentum Pharmaceuticals.<sup>158</sup> Argentum was not the first company to challenge the ‘551 patent.<sup>159</sup> In fact, several other generic companies had already begun similar

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Telecomms. Research Ctr., 538 Fed. App’x 894, 897–98 (Fed. Cir. 2013) (nonprecedential) (holding that it lacked declaratory judgment jurisdiction over a contributory infringement claim because the patentee “conceded that there are substantial non-infringing uses of [the declaratory judgment plaintiff’s] products”); *Microchip Tech. Inc. v. Chamberlain Grp., Inc.*, 441 F.3d 936, 944 (Fed. Cir. 2006) (holding it lacked declaratory judgment jurisdiction because “there is no indication that [the declaratory judgment plaintiff] is inducing or contributing to infringement by its customers”).

153. *PPG Indus.*, 679 Fed. App’x at 1004–05.

154. *See generally* Mot. Dismiss, *Mylan Pharm., Inc. v. Research Corp. Tech.*, Nos. 2017-2088, -2089, -2091 (Fed. Cir. Aug. 3, 2017).

155. Mot. Dismiss, *Mylan Pharm.*, Nos. 2017-2088, -2089, -2091, ECF No. 31-1, Ex. 3 at ¶¶ 13, 15.

156. *Id.* at 9 & Ex. 3 ¶¶ 22–24.

157. *Id.* at Ex. 3 ¶¶ 12–20.

158. Mot. Dismiss, *supra* note 154, at 6.

159. Carly Helfand, *UCB’s Vimpat Prevails in Patent Challenge—but IPR Threat Still Lurks*, FIERCE PHARMA (Aug. 15, 2016), <https://www.fiercepharma.com/pharma/ucb-s-vimpat-prevails-patentchallenge-but-ipr-threat-still-lurks>.

litigation in district court, seeking to invalidate the '551 patent to ultimately bring a less expensive, generic version of Vimpat to market.<sup>160</sup>

Sometime after the district court litigation commenced, several of the generic drug companies filed an IPR petition against the '551 patent.<sup>161</sup> That petition was denied and those defendants were barred from filing a second IPR petition under 35 U.S.C. § 315(b) because it had been more than one year since they were sued for infringing the '551 patent.<sup>162</sup> At that point, Argentum filed an IPR petition, and the PTAB instituted review of the '551 patent based on Argentum's petition.<sup>163</sup> Argentum's petition was not identical to the earlier petition filed by the district court defendants.<sup>164</sup> Once instituted, several of the district court defendants filed follow-on IPR petitions, which were essentially identical to Argentum's petition.<sup>165</sup> The follow-on petitions were granted, and the follow-on petitioners were joined to Argentum's petition with the understanding that Argentum would be the lead party presenting arguments to the PTAB.<sup>166</sup>

The PTAB ruled in favor of the patent owner, leading to the current pending appeal before the Federal Circuit.<sup>167</sup> Argentum opted not to appeal, but the joinder petitioners, including Mylan, did appeal.<sup>168</sup> In response, the patent owner RCT filed a motion to dismiss based on a novel theory.<sup>169</sup>

RCT's argument relies on the statutory time bar for filing an IPR along with a "zone of interests" analysis under Article III.<sup>170</sup> First, RCT argued that "[a]ppellants now attempt to evade the time bar of § 315(b) and invoke the jurisdiction of this Court by seeking judicial review of the final written decision in an IPR that was instituted at the behest of a different entity," namely Argentum.<sup>171</sup> RCT argued that, because the appellants' petitions were granted on condition that they were joined to Argentum's IPR, the appellants are not a "party" for purposes of § 319, which grants "[a] 'party' dissatisfied with [the]

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160. *UCB Faces U.S. Patent Challenge for Epilepsy Drug*, REUTERS (May 24, 2016), <https://www.reuters.com/article/us-ucb-sa-patent/ucb-faces-u-s-patentchallenge-for-epilepsy-drug-idUSKCN0YF0VP>.

161. Mot. Dismiss, *supra* note 154, at 6.

162. *Id.* at 1.

163. *Id.* at 7–8.

164. *Id.*

165. *Id.* at 8–9. ("The accompanying IPR petitions filed by the three Appellants were, according to Appellants and as recognized by the PTAB, 'practical copies of' and 'substantially identical in content to' Argentum's petition.")

166. *Id.* at 14–15.

167. *Id.* at 15–16.

168. *Id.* at 16.

169. *Id.* at 11–22.

170. *Id.* at 6–7.

171. *Id.* at 6.

final written decision of the PTAB” the right to appeal to the Federal Circuit.<sup>172</sup> RCT’s argument relies on a zone of interests argument.<sup>173</sup>

It is too early to tell whether the Federal Circuit will accept RCT’s argument. At a minimum, it is a novel, untested theory applying the zone of interests analysis to the standing inquiry in the PTAB context. A major hurdle appears to be that § 319 grants the right of appeal to any party to an IPR proceeding, and the generic drug company appellants were certainly parties to the underlying IPR. Section 319 is even more forceful, as it expressly states that “[a]ny party to the inter partes review shall have the right to be a party to the appeal.”<sup>174</sup> Section 319 appears to be one of those statutes that expands, as broadly as permitted under the Constitution, the right to appeal, and litigate, under Article III. In other words, § 319 arguably eliminates any consideration of prudential standing.<sup>175</sup>

*E. Altaire Pharmaceuticals, Inc. v. Paragon Biotech, Inc.*<sup>176</sup>

The next-decided *Altaire* case involved the rare post-grant review (PGR) petition, and involved two closely related parties, Altair Pharmaceuticals Inc. and Paragon Biotech, Inc.<sup>177</sup> Here, the parties contracted that Paragon would pursue FDA approval and Altair would develop and manufacture a certain drug.<sup>178</sup> Outside of the agreement, Paragon filed a patent application that issued into the patent in dispute here.<sup>179</sup>

Once Altaire became aware of the patent, it sued Paragon for breach of contract; Paragon counterclaimed with a DJ action to exit the contract.<sup>180</sup> Altaire filed a PGR arguing obviousness over drug lots it had manufactured before the relevant priority date.<sup>181</sup> The PTAB instituted, but ultimately held that Altaire failed its burden to prove obviousness.<sup>182</sup>

Standing was raised on appeal.<sup>183</sup> Interestingly, Altaire was contractually bound *not* to manufacture a competing, infringing product for years.<sup>184</sup> Nevertheless, the court found that Altaire clearly intended to file an ANDA once

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172. *Id.* at 6–7.

173. *Id.* at 24 (“Appellants are not within the zone of interests required to pursue a cause of action for judicial review of the agency action under Section 319.”).

174. 35 U.S.C. § 319 (2012).

175. *See id.*

176. 889 F.3d 1274 (Fed. Cir. 2018), *remand order modified by stipulation*, 738 Fed. App’x 1017 (Fed Cir. 2018).

177. *Id.* at 1277.

178. *Id.* at 1278.

179. *Id.*

180. *Id.* at 1279.

181. *Id.*

182. *Id.* at 1280.

183. *Id.* at 1280–81.

184. *Id.* at 1291 (Schall, dissenting).

its agreement terminated, and given the DJ action, injury was inevitable.<sup>185</sup> The court pointed to the estoppel as compounding the harm.<sup>186</sup> Ultimately, it held that Altair had standing to appeal.<sup>187</sup>

F. JTEKT Corp. v. GKN Automotive, Ltd.<sup>188</sup>

In *JTEKT Corp. v. GKN Automotive Ltd.*, the Federal Circuit, in a fully briefed written opinion, held that appellant JTEKT lacked Article III standing.<sup>189</sup> The court noted that an JTEKT sold no infringing goods, and thus would have had to establish “concrete plans for future activity that create[] a substantial risk of future infringement or likely cause the patentee to assert a claim of infringement.”<sup>190</sup> The court here found JTEKT had not provided enough evidence of concrete, particularized harm, as its product design was not final and thus, its risk of infringing GKN’s patent or being threatened by it was speculative.<sup>191</sup> The Federal Circuit rejected JTEKT’s argument that IPR estoppel constitutes a separate injury in fact,<sup>192</sup> the same argument that would become the primary issue in *RPX v. Chanbond*, as we will see below.

G. E. I. du Pont de Nemours v. Synvina C.V.<sup>193</sup>

Roughly two weeks later, the Federal Circuit issued *E. I. du Pont de Nemours v. Synvina*, finding that an operating facility that was capable of infringing a method of manufacture, in that case, sufficed to confer standing on a petitioner-appellant.<sup>194</sup> There, DuPont was a known competitor of Synvina in the larger sense, and was known to at least seek to compete with methods of manufacture of 2,5-Furandicarboxylic acid (FDCA) that could infringe the patent.<sup>195</sup> On appeal, patent owner Synvina argued that DuPont did not have standing to maintain the appeal, as it had not suffered injury that was actual or imminent.<sup>196</sup> In an opinion written by Judge Lourie and joined in full by Judges O’Malley and Chen, the Federal Circuit found that on appeal from PTAB proceedings, a petitioner-appellant “must generally show a controversy ‘of sufficient immediacy and reality’ to warrant the requested judicial relief.”<sup>197</sup> Then it found

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185. *Id.* at 1282.

186. *Id.* at 1283.

187. *Id.* at 1284.

188. 898 F.3d 1217 (Fed. Cir. 2018).

189. *Id.* at 1218.

190. *Id.* at 1221.

191. *Id.*

192. *Id.*

193. 904 F.3d 996 (Fed. Cir. 2018).

194. *Id.* at 1004–05.

195. *Id.* at 999.

196. *Id.* at 1003.

197. *Id.* at 1004 (quoting *MedImmune, Inc. v. Genetech, Inc.*, 549 U.S. 118, 127 (2007)) (emphasis added).



that “DuPont ‘is engaged or will likely engage in an[] activity that would give rise to a possible infringement suit.’”<sup>198</sup> The panel deemed this potentiality as of sufficient immediacy and likelihood as to merit appellate standing, further belying the context-specific nature of the inquiry.<sup>199</sup>

*H. Momenta Pharmaceuticals, Inc. v. Bristol-Myers Squibb Co.*<sup>200</sup>

Bristol-Myers Squibb markets a biologic product, Orencia®, a CTLA4Ig protein formulation (abatacept) useful for treating autoimmune diseases like rheumatoid arthritis.<sup>201</sup> Potential biosimilar competitor Momenta Pharmaceuticals, in partnership with Mylan, made plans to market a biosimilar version, but first sought to challenge one of the patents covering the formulation, U.S. Patent 8,476,239 (“the ’239 patent”), as obvious.<sup>202</sup> The Board instituted but held that petitioner failed its burden to demonstrate the claims were obvious.<sup>203</sup>

The unsuccessful petitioner, Momenta, appealed, arguing on the merits that the Board erroneously found there was no reasonable expectation of success in combining the references to create the liquid protein formulations in the ’239 patent claims.<sup>204</sup>

The case has been pending for quite some time. On December 5, 2017, the Federal Circuit held oral argument, with Judges Chen, Dyk, and Newman presiding.<sup>205</sup> The oral argument was dedicated entirely to the issue of standing and the remedy for an appeal lacking standing.<sup>206</sup>

Momenta argued in briefing and at oral argument that this IPR represented a “freedom-to-operate” action resulting in immediate harm, as it was at “fork in the road” in the development process, and that losing the ability to appeal would mean it would be forced to abandon its research efforts and millions of dollars would be wasted.<sup>207</sup> Bristol-Myers Squibb argued the harm was speculative.<sup>208</sup>

The decision did not issue after the oral argument; nearly 11 months later, the Federal Circuit issued a show cause order after the parties indicated that Momenta had initiated discussions, in conjunction with its development partner

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198. *Id.* at 1005. (quoting *JTEKT Corp. v. GKN Auto., Ltd.*, 898 F.3d 1217, 1220 (Fed. Cir. 2018)).

199. *Id.*

200. No. 17-1694 (Fed. Cir. argued Dec. 5, 2017).

201. Brief for Petitioner-Appellant at \*5, *Momenta Pharms. v. Bristol-Myers Squibb*, No. 17-1694 (Fed. Cir. Jul. 10, 2017).

202. *Id.* at \*19.

203. *Id.* at \*2–3.

204. *Id.* at \*29.

205. Oral Argument, *Momenta Pharms.*, No. 17-1694 (Fed. Cir. Dec. 5, 2017).

206. *Id.*

207. Citation of Supplemental Authority for Petitioner-Appellant at \*2, *Momenta Pharms.*, No. 17-1694 (Fed. Cir. June 4, 2018).

208. Reply Brief for Appellee at \*2, *Momenta Pharms.*, No. 17-1694 (Fed. Cir. Nov. 22, 2017).

Mylan, “to exit its participation in the development of M834, a proposed biosimilar of ORENCIA®,” which would have been the basis of its patent challenge and the justification for its appellate standing.<sup>209</sup> Bristol-Myers Squibb argued that the case was moot; in responsive briefing on November 2, Momenta maintained otherwise.<sup>210</sup> It noted that they had not yet exited the partnership, that they still maintained a financial stake in the development of a competitor product, and they noted that “[t]he concreteness of that stake is bolstered by the estoppel provision, which the Board’s adverse decision already triggered,” citing 35 U.S.C. § 315(e).<sup>211</sup> The dispute shows the difficult position the court and parties are put in when standing is raised based on proactive business decisions revolving around patent challenges, and also demonstrates how principles of mootness and ripeness bleed into the standing inquiry easily. As of this writing, the issue remains unresolved.

### I. RPX Corp. v. Chanbond<sup>212</sup>

In *RPX Corp. v. Chanbond*, entity RPX Corp., which bills itself as a patent litigation risk reduction solution, filed an IPR against Chanbond, was successful in earning institution of that IPR, but lost on the merits as to all claims and grounds.<sup>213</sup> RPX appealed, and Chanbond filed a motion to dismiss for lack of Article III standing.<sup>214</sup> RPX countered that it was not sued or charged with infringement, but argued that the estoppel effect and the reputational harm from losing a post-grant challenge conferred standing upon them.<sup>215</sup> The Federal Circuit ruled in favor of Chanbond and dismissed, finding RPX had not carried its burden as appellant to show it had independent Article III standing.<sup>216</sup> RPX forwent filing a request for en banc review, and proceeded to file a brief for certiorari to the Supreme Court,<sup>217</sup> which drew amicus support from the New York Intellectual Property Law Association.<sup>218</sup> When the high court considered the petition during the long conference, the Supreme Court called for the views of the Solicitor General, suggesting there is some interest and the Court may be likely to grant the petition.<sup>219</sup> Its argument is predicated on the idea that the

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209. See Show Cause Order, *Momenta Pharms.*, No. 17-0694 (Fed. Cir. Oct. 23, 2018).

210. Response to Order to Show Cause for Petitioner-Appellant at \*1, *Momenta Pharms.*, No. 17-0694 (Fed. Cir. Nov. 2, 2018) (“This appeal is not moot because Momenta continues to have a concrete interest, just as it did when it filed the appeal.”).

211. *Id.* at \*4.

212. No. 17-2346 (Fed. Cir. Jan. 17, 2018).

213. *Id.* at \*1–2.

214. *Id.* at \*2.

215. *Id.* at \*2, \*4.

216. *Id.* at \*6.

217. Petition for Writ of Certiorari, *RPX Corp.*, No. 17-1686 (U.S. June 18, 2018).

218. Brief for the New York Intellectual Property Law Association as Amicus Curiae Supporting Neither Party, *RPX Corp.*, No. 17-1686 (U.S. Jul. 20, 2018).

219. *RPX Corp.*, No. 17-1686, slip op. at 1 (U.S. Oct. 1, 2018) (“The Solicitor General is invited to file briefs in these cases expressing the views of the United States.”).

estoppel provisions and the statute *alone* confer standing on administrative challengers, thus ending the inquiry—a stance in seeming conflict with that settled upon by the Federal Circuit in *Consumer Watchdog* and its progeny.

### III. APPELLEE STANDING IN PTAB APPEALS

Standing also arises in the context of whether a defending appellee must satisfy the requirements for standing under Article III.<sup>220</sup> While there is some debate as to whether an appellee must show standing separately, many courts state that if standing is met for one party, it is met for all.<sup>221</sup> Indeed, the issue has only been addressed once by the Federal Circuit.<sup>222</sup> There is a subsidiary question of whether—statutorily reducible—prudential standing limitations might be applicable when constitutional standing is not at issue.<sup>223</sup>

#### A. Personal Audio, LLC v. Electronic Frontier Foundation

The case addressing these issues is *Personal Audio, LLC v. Electronic Frontier Foundation*.<sup>224</sup> In *Personal Audio*, the Federal Circuit decided whether an appellee must establish Article III standing to defend a favorable opinion—an issue rarely litigated.<sup>225</sup> The generally accepted presumption that the appellee has standing is based on the risk of an opinion adverse to the appellee.<sup>226</sup> This is analogous to a defendant's right to defend.<sup>227</sup> Although not directly addressed by any Supreme Court cases, the Federal Circuit granted standing to the appellee-petitioner. In *Personal Audio*, the court *sua sponte* requested briefing on the following:

whether [the appellee had] standing to participate in [the] appeal, in view of the court's holding in *Consumer Watchdog v. Wisconsin Alumni Research Foundation* that a PTAB petitioner that does not meet the Article III case-or-controversy requirement does not have

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220. See *Rumsfeld v. Forum for Acad. & Inst. Rights, Inc.*, 547 U.S. 47, 52 n.2 (2006) (explaining that “the presence of one party with standing is sufficient to satisfy Article III’s case-or-controversy requirement”); *Ry. Labor Execs.’ Ass’n v. United States*, 987 F.2d 806, 810 (D.C. Cir. 1993) (stating that “if one party has standing in an action, a court need not reach the issue of the standing of other parties when it makes no difference to the merits of the case”).

221. See, e.g., *Ry. Labor Execs.’ Ass’n*, 987 F.2d at 810.

222. See *Pers. Audio, LLC v. Elec. Frontier Found.*, 867 F.3d 1246, 1249–50 (Fed. Cir. 2017).

223. See *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1261 (Fed. Cir. 2014) (explaining how Congress may relax prudential standing requirements by statutorily authorizing citizen suits); see also *United States v. Windsor*, 133 S. Ct. 2675, 2685–86 (2013) (explaining the difference between Article III standing and prudential standing).

224. 867 F.3d 1246 (Fed. Cir. 2017).

225. *Id.* at 1249–50.

226. Steinman, *supra* note 16, at 853.

227. *Id.* at 852 (“While a silent appellee cannot lose a case by ‘default’ as a defendant in the trial court can under Rule 55 of the Federal Rules of Civil Procedure, he would be disadvantaged if barred from arguing to the court of appeals a version of the facts and the law that differs from what the appellant is arguing.”).

standing to invoke judicial power, and thus does not have standing to appeal to this court from a PTAB decision on inter partes reexamination.<sup>228</sup>

The court cited two standing-to-sue cases<sup>229</sup> and ruled that “standing to appeal is measured for the party ‘seek[ing] entry to the federal courts for the first time in the lawsuit’ . . . With [the] Article III [requirement] satisfied as to the appellant, [the appellee] is not constitutionally excluded from appearing in court to defend the PTAB decision in its favor”.<sup>230</sup>

The Federal Circuit did not discuss whether standing granted to one party could provide standing for the opposing party. Instead, the court chose to simply quote Justice Marshall: “Because respondent has not invoked the authority of any federal court, then, federal standing principles are simply inapplicable to him.”<sup>231</sup> However, despite this judicial hand-waving, the opinion is in line with other courts, which generally give the “defending party” the right to defend itself before the court.<sup>232</sup>

#### IV. ASSOCIATIONAL STANDING IN PTAB APPEALS

Does an association has standing to litigate?<sup>233</sup>

Many industry and professional associations have challenged the validity of patents, both administratively and judicially.<sup>234</sup> The challenge to gene patents was spearheaded by the Association of Molecular Pathology.<sup>235</sup> The Federal Circuit has not addressed the issue of associational standing in a PTAB case,<sup>236</sup> but this may be another source of standing disputes.

#### V. INTERVENOR (& GOVERNMENTAL) STANDING

Standing issues most frequently arise with respect to the appellant or to a lesser extent the appellee, but some cases also decide whether an intervenor

228. *Pers. Audio, LLC*, 867 F.3d at 1249 (citation omitted).

229. *Id.* (citing *ASARCO Inc. v Kadish*, 490 U.S. 605, 618 (1989)); *U.S. Dep’t of Labor v. Triplett*, 494 U.S. 715, 732 (1990) (Marshall, J., concurring).

230. *Id.* at 1250.

231. *Id.* (quoting *Triplett*, 494 U.S. at 732 (Marshall, J., concurring)).

232. *Cf. Boston Edison Co. v. Boston Redevelopment Auth.*, 371 N.E.2d 728, 735–36 (Mass. 1977) (granting the appellee the right to “present on appeal any ground which was previously asserted below in support of the [favorable] judgement”).

233. *See, e.g., Jewelers Vigilance Comm., Inc. v. Ullenberg Corp.*, 823 F.2d 490, 494–95 (Fed. Cir. 1987) (holding that a jewelry trade association had standing to represent its members in opposing a trademark application before the Trademark Trial and Appeal Board).

234. *See, e.g., Ass’n for Molecular Pathology v. U.S. Patent & Trademark Office*, 653 F.3d 1329, 1333 (Fed. Cir. 2011) (in which medical associations challenged a corporation’s patent with the PTO).

235. *See id.* at 1333–34.

236. *Cf. Jewelers Vigilance Comm., Inc.*, 823 F.2d at 494–95 (describing associational standing requirements in similar TTAB appeals).

satisfies the standing requirement.<sup>237</sup> In general, with patent litigation at the appeals level, amici are more common than intervenors.<sup>238</sup> In recent years, amicus activity has increased across the board,<sup>239</sup> and the same surely holds for patent litigation. In AIA appeals, the PTO has the statutory right to participate in an AIA appeal as an intervenor.<sup>240</sup> Federal Circuit appeals therefore routinely include an intervenor, although the PTO intervenes in few cases.<sup>241</sup>

An intervenor is neither an original plaintiff nor a defendant but has a legal interest in the proceeding.<sup>242</sup> Rule 24 of the Federal Rules of Civil Procedure authorizes an outside entity to intervene in a proceeding and participate “as if the intervenor were an original party.”<sup>243</sup> An entity may intervene as a matter of right if that entity “(1) is given an unconditional right to intervene by a federal statute; or (2) claims an interest relating to the property or transaction that is the subject of the action [that would be] impair[ed] or impede[d]” without intervention.<sup>244</sup> Permissive intervention can occur when a statute grants the entity “a conditional right to intervene,” or when the person “has a claim or defense that shares with the main action a common question of law or fact.”<sup>245</sup>

Gaining status as an intervenor during a proceeding is important because the intervenor becomes equal to the original parties and can fully litigate the issues

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237. See, e.g., *Town of Chester v. Laroe Estates, Inc.*, 137 S. Ct. 1645, 1651 (2017) (holding that, on a challenge to intervenors’ standing, intervenors of right must satisfy Article III standing to seek relief different from that pursued by a party with standing).

238. See generally Mark D. Janis, *Rethinking Reexamination: Toward a Viable Administrative Revocation System for U.S. Patent Law*, 11 HARV. J. LAW & TECH. 1, 72–73, 73 n.320 (1997) (explaining that “[a]llowance of intervention or appearance as an amicus is within the discretion of the court[,]” but even if a party is granted permission to intervene it must still have standing to appeal, whereas there is no standing requirement to file amici).

239. Helen A. Anderson, *Frenemies of the Court: The Many Faces of Amicus Curiae*, 49 U. RICHMOND L. REV. 361, 362 (2015) (“*Amicus curiae* participation has surged in recent years, primarily by interest and advocacy groups wishing to advance their law reform efforts and to gain publicity.”); Paul M. Collins, Jr., *Friends of the Court: Examining the Influence of Amicus Curiae Participation in U.S. Supreme Court Litigation*, 38 LAW & SOC’Y REV. 807, 810–11 (2004).

240. 35 U.S.C. § 143 (2012).

241. See generally Craig Countryman, *What can you do to maximize your chances of winning an IPR appeal?*, LEXOLOGY (June 4, 2015), <https://www.lexology.com/library/detail.aspx?g=2aa0e624-1baf-4627-8624-62932f95b9f2> (explaining that, since the enactment of 35 U.S.C. § 143, the PTO “has been judicious about exercising this [intervention] authority” because the appellee is typically already present to defend the PTAB’s decision, making the PTO’s involvement not only costly but redundant).

242. FED. R. CIV. P. 24(a) (defining an intervenor of right as anyone who “claims an interest relating to the property or transaction that is the subject of the action, and is so situated that disposing of the action may as a practical matter impair or impede the movant’s ability to protect its interest”).

243. 7C CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE & PROCEDURE § 1920 (3d ed. Apr. 2016 update).

244. FED. R. CIV. P. 24(a).

245. FED. R. CIV. P. 24(b)(1)–(2).

on the merits.<sup>246</sup> For example, an intervenor can undertake all the usual actions, such as asserting claims and defenses, making demands for particular relief, making discovery requests, presenting oral argument, and the like.<sup>247</sup> An intervenor is therefore very different than an *amicus curiae*, which is limited to supporting the claims and defenses raised by the actual litigants.<sup>248</sup> An intervenor is a true party to the case and may even exert substantial “control [over] the suit.”<sup>249</sup>

Left unanswered until recently was the question of whether an intervenor needed to satisfy Article III’s standing requirement. Over the years, the federal appellate courts have reached conflicting decisions on this question.<sup>250</sup>

In 2017, the Supreme Court resolved the issue of whether an intervenor of right must show Article III standing if that intervenor is seeking additional relief. In *Town of Chester v. Laroe Estates*,<sup>251</sup> a unanimous Court ruled narrowly and found a solution in which the parties and the United States, as *amicus curiae*, shared agreement.<sup>252</sup> The Court held that “an intervenor of right must have Article III standing in order to pursue relief that is different from that which is sought by a party with standing.”<sup>253</sup> In other words, “an intervenor of right must demonstrate Article III standing when it seeks additional relief beyond that

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246. *Bethune Plaza, Inc. v. Lumpkin*, 863 F.2d 525, 531 (7th Cir. 1988).

247. *See* Local No. 93, Int’l Ass’n of Firefighters v. City of Cleveland, 478 U.S. 501, 529 (1986) (discussing intervenors’ ability to present evidence); *Bethune Plaza, Inc.*, 863 F.2d at 531 (discussing intervenors’ ability to demand separate relief and attorney’s fees). *See generally* *S. Carolina v. N. Carolina*, 558 U.S. 256, 287–88 (2010) (Roberts, C.J., concurring in part and dissenting in part) (“Intervenors do not come alone—they bring along more issues to decide, more discovery requests . . . [and] make[] settling a case more difficult.”).

248. *See* Anderson, *supra* note 239, at 361–62 (“Yet, *amici curiae*—nonparties who are nevertheless advocates, who are not bound by rules of standing and justiciability, or even rules of evidence, and who can present the court with new information and arguments—occupy a unique place in the appellate courts.”).

249. *See Bethune Plaza*, 863 F.2d at 531; *Rio Grande Pipeline Co. v. FERC*, 178 F.3d 533, 539 (D.C. Cir. 1999) (contrasting intervenors with amici).

250. *Compare, e.g.,* *King v. Governor of New Jersey*, 767 F.3d 216, 244–46 (3d Cir. 2014) (holding that intervenors do not need to establish Article III standing); *Perry v. Schwarzenegger*, 630 F.3d 898, 906 (9th Cir. 2011); *City of Herriman v. Bell*, 590 F.3d 1176, 1183–84 (10th Cir. 2010) (noting that an intervenor must still have a related claim or defense as the party with standing which this intervenor lacked); *Dillard v. Chilton Cty. Comm’n*, 495 F.3d 1324, 1336–37, 1336 n.10 (11th Cir. 2007) (requiring an intervenor to establish standing only “when the original parties have settled the claims between them, and the intervenor wishes to challenge the settlement”); *United States v. Tennessee*, 260 F.3d 587, 595 (6th Cir. 2001); *Ruiz v. Estelle*, 161 F.3d 814, 829–30 (5th Cir. 1998) *with* *City of Chicago v. Fed. Emergency Mgmt. Agency*, 660 F.3d 980, 984–85 (7th Cir. 2011) (holding that intervenors must establish Article III standing); *United States v. Metro. St. Louis Sewer Dist.*, 569 F.3d 829, 833 (8th Cir. 2009); *United States v. Philip Morris USA, Inc.*, 566 F.3d 1095, 1145–46 (D.C. Cir. 2009). *See generally* *Rio Grande Pipeline Co. v. FERC*, 178 F.3d 533, 537–41 (D.C. Cir. 1999) (describing cases that show conflicting decisions on whether an intervenor must demonstrate Article III standing).

251. 137 S. Ct. 1645 (2017).

252. *Id.* at 1651.

253. *Id.*

which the plaintiff requests.”<sup>254</sup> In reaching this holding, the Court relied on the rule that “[a]t least one plaintiff must have standing to seek each form of relief requested in the complaint.”<sup>255</sup>

More directly related to PTAB appeals is the Federal Circuit appeal in *Knowles Electronics LLC v. Iancu*.<sup>256</sup> In *Knowles*, the patent owner appealed from an adverse *inter partes* reexamination decision.<sup>257</sup> The PTAB rejected certain patent claims directed at the silicon condenser microphone “package.”<sup>258</sup> The party who had successfully requested the reexamination declined to participate in the appeal.<sup>259</sup> The PTO sought to defend the PTAB’s decision as an intervenor. After full briefing, during oral argument at the Federal Circuit, Judge Newman raised the issue of the PTO’s ability to intervene in the case, even though the appellant did not challenge the PTO’s right to participate.<sup>260</sup> After the appeal was fully briefed and argued, the Federal Circuit issued the following order sua sponte:

- a. When the prevailing party in an inter partes reexamination proceeding before the USPTO’s Patent Trial and Appeal Board (“Board”) declines to appear before this court to defend the decision below, is the USPTO’s Director required to possess Article III standing in order to intervene?
- b. If yes, does the Director possess such standing in this appeal?
- c. Additionally, if the Director does in fact possess standing; must the Director defend the Board’s decision? Alternatively, what are the ramifications if the Director declines to defend the Board’s decision?<sup>261</sup>

In the briefing, the PTO relied on *Town of Chester* and explained that, while “a plaintiff—or person seeking relief from a federal court—must show ‘a personal stake in the outcome[,]’ . . . [o]ther parties, such as defendants, appellees, or intervenors who are not seeking affirmative relief, need not have constitutional standing for a case to proceed.”<sup>262</sup> The PTO also argued that, even

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254. *Id.*

255. *Id.*

256. *Knowles Elecs. LLC v. Iancu*, 886 F.3d 1369 (Fed. Cir. 2018) (formerly *Knowles Elecs. LLC v. Matal*).

257. *Id.* at 1371.

258. *Id.* at 1372.

259. *Id.* at n.1.

260. *See* Order at 2, *Knowles Elecs. LLC v. Matal*, No. 2016-1954 (Fed. Cir. June 30, 2017).

261. *Id.* The third question is beyond the scope of the present article but raises an important question about the PTO’s role as intervenor. *See generally* Dimtry Karshedt, *Acceptance Instead of Denial: Pro-Applicant Positions at the PTO*, 23 B.U. J. SCI. & TECH. L. 319, 342–46 (2017).

262. Supplemental Brief for Intervenor at 4, *Knowles Elecs. LLC v. Matal*, No. 2016-1954 (Fed. Cir. July 31, 2017) (internal citations omitted).

if Knowles is an intervenor, he had a personal stake in the outcome, thus conferring standing.<sup>263</sup>

In its supplemental briefing, the appellant did not substantially disagree with the PTO's position.<sup>264</sup> Thus, it seemed likely that the court will hold that the PTO need not independently establish Article III standing if it is merely arguing a position to support the PTAB's decision. That would have been consistent with the Supreme Court's decision in *Town of Chester* and it would have confirmed the PTO's authority to defend the PTAB's decisions on appeal, regardless of whether the patent challenger continues through appeal.

Ultimately the court held, in a long footnote, that the USPTO Director had standing to appeal, but did so in a way that left open whether an intervenor need establish independent Article III standing.<sup>265</sup> Instead, the court relied heavily on the statement from the Supreme Court in *Cuozzo Speed Technologies, LLC v. Lee* that "the [USPTO] may intervene in a later Judicial proceeding to defend its decision—even if the private challengers drop out"<sup>266</sup>:

There is no dispute Knowles has standing since its patent has been judged unpatentable and therefore it has presented 'a justiciable case or controversy.' *ASARCO Inc. v. Kadish*, 490 U.S. 605, 618 (1989). The Director of the USPTO has an unconditional statutory "right to intervene in an appeal from a [PTAB] decision." 35 U.S.C. § 143; see Leahy-Smith America Invents Act, Pub. L. No. 112-29, §7(e), 125 Stat. 284, 315 (2011) (stating that the Director's right to intervene "shall be deemed to extend to inter partes reexaminations that are requested under section 311 of such title before the effective date" of the America Invents Act). Our precedent allows the USPTO to intervene to defend a PTAB decision when a petitioner withdraws on appeal, necessarily implying jurisdiction. See, e.g., *NFC Tech., LLC v. Matal*, 871 F.3d 1367, 1371 (Fed. Cir. 2017); *In re NuVasive, Inc.*, 842 F.3d 1376, 1379 n.1 (Fed. Cir. 2016); *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1272 (Fed. Cir. 2015), *aff'd sub nom.*, *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2143–44 (2016). We follow the Supreme Court guidance in *Cuozzo* that "the [USPTO] may intervene in a later Judicial proceeding to defend its decision—even if the private challengers drop out." 136 S. Ct. at 2144; cf. *Pers. Audio, LLC v. Elec. Frontier Found.*, 867 F.3d 1246, 1249 (Fed. Cir. 2017) (reaffirming that "[w]ith Article III satisfied as to the appellant, [the appellee] is not constitutionally excluded from appearing in court to

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263. *Id.* at 5–6.

264. Supplemental Brief for Appellant at 8, *Knowles Elecs. LLC v. Matal*, No. 2016-1954 (Fed. Cir. Aug. 21, 2017).

265. *Knowles Elecs. LLC v. Iancu*, 886 F.3d 1369, 1372 n.2 (Fed. Cir. 2018).

266. *Id.* (quoting *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144 (2016)).



defend the PTAB decision in its favor”). *The Director of the USPTO, thus, has standing.*<sup>267</sup>

Notably, the court referenced *Personal Audio, LLC v. Electronic Frontier Foundation*, for the principle that an appellee need not establish independent standing.<sup>268</sup> Here, the court noted, where the original petitioner has withdrawn, the intervenor effectively steps into the shoes of the appellee.<sup>269</sup> Thus, the court held the intervenor had standing where it had stepped into the shoes of the appellee, in effect avoiding the issue of whether intervenors are even required to demonstrate independent Article III standing.<sup>270</sup>

## VI. AMICUS STANDING

In contrast to appellants, appellees, and intervenors, an amicus curiae is not a party to the litigation.<sup>271</sup> An amicus curiae, or a friend of the court, is any individual or entity that desires to express its views about a case and how the case may have broader implications beyond the immediate effects on the party to the case.<sup>272</sup> As one commentator puts it, “amicus curiae [are] nonparties who are nevertheless advocates, who are not bound by rules of standing and justiciability, or even rules of evidence, and who can present the court with new information and arguments.”<sup>273</sup>

Therefore, an amicus does not need standing to file an amicus brief.<sup>274</sup> If a potential intervenor is denied intervenor status, courts are likely to permit the party to participate as an amicus.<sup>275</sup>

## VII. CONCLUSIONS AND RECOMMENDATIONS: PROCEDURAL, STRATEGIC CONSIDERATIONS REGARDING STANDING ON APPEAL

*“Oh, sceptics and halfpenny philosophers, why do you halt half-way?”*<sup>276</sup>

As noted, the unsettled nature of many aspects of appellate standing at the Federal Circuit leaves open the chance for misapplication of precedent or

267. *Id.*

268. *Id.* (citing *Pers. Audio, LLC v. Elec. Frontier Found.*, 867 F.3d 1246, 1249 (Fed. Cir. 2017)).

269. *Id.*

270. *Id.*

271. *See, e.g., Rio Grande Pipeline Co. v. FERC*, 178 F.3d 533, 539 (D.C. Cir. 1999) (explaining that an entity that only sought to “contribute its views to those issues raised by [a party’s] petition for review” was an amicus curiae, not an intervenor).

272. *Anderson, supra* note 239, at 361.

273. *Id.*

274. *See, e.g., Rio Grande Pipeline Co.*, 178 F.3d at 539.

275. *See, e.g., Agric. Retailers Ass’n v. U.S. Dep’t of Labor*, 837 F.3d 60, 66 (D.C. Cir. 2016); *Silver v. Babbitt*, 166 F.R.D. 418, 434–35 (D. Ariz. 1994), *aff’d*, 68 F.3d 480, 481 (9th Cir. 1995).

276. FYODOR DOSTOYEVSKY, *CRIME AND PUNISHMENT* 526 (Constance Garnett trans. 2000) (“But those men succeeded and so *they were right*, and I didn’t, and so I had no right to have taken that step.” (emphasis added)).

mistake. Our hope is this Article can assist as a clear-eyed survey of the limited precedent here, and as a path forward for courts, practitioners, and others, free of advocacy or intent to influence. To wit, the standing requirement on appeal from the PTAB generates numerous procedural and strategic issues, many of which remain unaddressed. Some of these are dictated by the law of the Supreme Court, other circuits, or the Federal Circuit—or at least by gaps in the law. Others may result from the lack (to date) of procedural rules at the Federal Circuit dictating how and when PTAB appeal standing issues are to be raised and resolved. All merit further attention and study.

What is clear, however, is that the Federal Circuit's recent cases suggest a court struggling with the often-speculative but business-important reasons behind administrative challenges. With the decisions in *Altaire*, the Court has recognized the need for some leeway in allowing challenges to proceed prior to financial harm occurring, but is wrestling with how much speculation and how conditional that harm can be. As the court moves into this fraught area, it has recognized, appropriately if tacitly, that only the party seeking to invoke the Court's jurisdiction need prove standing; and it has rejected the argument, now before the Supreme Court, that the estoppel provisions alone provide the type of harm justifying a petitioner's appeal, though it has repeatedly noted that the estoppel may enhance or add to the concreteness of the harm. And it has taken small steps toward embracing a standing jurisprudence broader than that limited solely to patent-centric DJ/infringement inquiries, in recognition of the standing inquiry's flexible nature.

#### A. Procedural

The first issue is defining the party's burden in demonstrating standing on appeal. The Supreme Court notes clearly that "[t]he party invoking federal jurisdiction bears the burden of establishing these elements."<sup>277</sup> What has been less clear is the amount and type of evidence necessary to meet that burden. The courts have generally considered two possibilities: some courts have analogized the inquiry as to the one undertaken when ruling on a motion to dismiss for failure to state a claim,<sup>278</sup> while others have analogized the inquiry to the one undertaken when ruling on a motion for summary judgment.<sup>279</sup>

The leading case among the circuits, and the most explicit about the timing of meeting that burden, is the D.C. Circuit decision in *Sierra Club v. Environmental Protection Agency*.<sup>280</sup> (In general, the D.C. Circuit is the leading authority on appellate standing from administrative appeals.) There the court noted that "a petitioner seeking review in the court of appeals does not ask the court merely

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277. *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 561 (1992).

278. *See Sierra Club v. EPA*, 292 F.3d 895, 898–900 (D.C. Cir. 2002) (discussing standing approaches in regards to varying procedural postures); *see also* FED. R. CIV. P. 12(b)(6).

279. *See Sierra Club*, 292 F.3d at 898–900; *see also* FED. R. CIV. P. 56.

280. 292 F.3d 895 (D.C. Cir. 2002).

to assess the sufficiency of its legal theory[.]" such as in a motion to dismiss, but instead seeks "a final judgment on the merits, based upon the application of its legal theory to facts established by evidence in the record[.]" such that a party "must either identify in that record evidence sufficient to support its standing . . . or . . . submit additional evidence to the court of appeals."<sup>281</sup> Despite the normal judicial admonition against taking new evidence on appeal, given the unique posture forced upon appellate courts by the administrative appeal standing inquiry, the D.C. Circuit thought that this rule was "the most fair and orderly process by which to determine whether the petitioner has standing[.]" in part because petitioners are often best situated to produce evidence of their injuries.<sup>282</sup> However, the court counseled that the petitioner must identify specific facts in the administrative record that support its standing argument or present "affidavits or other evidence" attached to its opening brief, unless standing is self-evident.<sup>283</sup>

Another issue is *when* the parties should first raise the standing issue, as well as when the court should resolve it. Many disputes about standing on appeal have been raised in motions to dismiss for a lack of standing; others have been raised in merits briefing. Still others have raised it in motions to dismiss, only to have the issue shunted to the merits opinion, provoking a second round of briefing on the issue. The approaches all have their own benefits and drawbacks.

An alternative—and complementary—approach is used by the D.C. Circuit. In that court, when a party appeals for direct review of an agency decision, the party is then required to provide a statement describing its basis for standing in the docketing statement.<sup>284</sup> D.C. Circuit Rule 15(c)(2) reads: "In cases involving direct review in this court of administrative actions, the docketing statement must contain a brief statement of the basis for the appellant's or petitioner's claim of standing. This statement may include reference to arguments, evidence, or the administrative record supporting the claim of standing."<sup>285</sup> The rule was inspired in part by, and in other ways meant to anticipate the need for, the ruling in *Sierra Club*, which states:

[A] petitioner whose standing is not self-evident should establish its standing by the submission of its arguments and any affidavits or other evidence appurtenant thereto *at the first appropriate point* in the review proceeding. In some cases that will be in response to a motion to dismiss for want of standing; in cases in which no such motion has been made, it will be with the petitioner's opening brief—and not, as in this case, in reply to the brief of the respondent agency.<sup>286</sup>

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281. *Id.*

282. *Id.* at 901.

283. *Id.* at 900.

284. D.C. Circuit Rule 15(c)(2).

285. *Id.* (citing *Sierra Club*, 292 F.3d at 900–01).

286. *Sierra Club*, 292 F.3d at 900 (emphasis added).

The D.C. Circuit's rule advantageously requires the appellant to identify its basis for standing before briefing occurs, seemingly in recognition of the burden of persuasion it bears on that issue. The information in the docketing statement will likely not be the complete evidence supporting standing, but it does provide the opposing party with an indication of whether there is a reasonable basis to establish standing or whether it should be challenged by a motion to dismiss before the briefing begins, and it provides a preview for the court itself that standing may be at issue in this particular appeal.

Another question is whether evidence supporting standing can or should be developed during the PTAB proceeding.<sup>287</sup> Overall, it seems unlikely that the PTAB proceeding would be a proper vehicle to develop this evidence. The PTAB proceeding has limited discovery and limited opportunities to submit evidence concerning Article III standing. For example, for a petitioner to establish Article III standing, the petitioner might have to provide evidence showing that the existence of the challenged patent would cause financial harm to the petitioner or that the petitioner is likely to be sued for patent infringement.<sup>288</sup> However, those facts are rarely, if ever, relevant to any of the patentability grounds or procedural requirements that form the basis of the patent challenge.<sup>289</sup> And standing will not be disputed in many cases because the petitioner has been sued or has been threatened with a suit for patent infringement, so a rule requiring evidence or demanding further inquiry would add unnecessary cost and complexity. Regardless, even in those cases where standing is not immediately apparent, it seems unlikely that the PTAB proceeding will afford the parties the ability to develop and challenge evidence related to Article III standing.

The issue of when the requirement of standing attaches continues unanswered. It is still unclear whether parties to an administrative proceeding below must possess standing (1) at the time of the filing, (2) throughout the earlier-filed proceeding, (3) at the time of the filing of the appeal, or (4) at the time the briefing of the standing issue commences.<sup>290</sup> (There is a fifth option—one related to ripeness and mootness—where courts may suggest their standing is divested should some action occur post-briefing but prior to an issued panel opinion. Such instances should be rare and heavily dependent on the facts of the case.<sup>291</sup>) Conceptually, the first and third options present logical solutions to

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287. Indeed, during the *Phigenix* oral argument, Judge Dyk questioned why the appellant should not be required to make the record to support standing while before the PTAB instead of having to make the Federal Circuit conduct fact-finding on appeal for the first time. See Oral Argument at 16:57–17:14, *Phigenix, Inc. v. ImmunoGen, Inc.*, 845 F.3d 1168 (Fed. Cir. 2017) (No. 2016-1544), <http://oralarguments.cafc.uscourts.gov/default.aspx?fl=2016-1544.mp3>.

288. See Burstein, *supra* note 14, at 513–14, 535.

289. *Id.* at 546–48 (explaining how it is usually a failure to meet the necessary subject matter requirements—among other things—that invalidates a patent).

290. *Id.* at 504–09.

291. See, e.g., Show Cause Order, *supra* note 209.

this inquiry. Tracing the standing inquiry to the filing of the administrative action analogizes the standing inquiry to a lower-court Article III trial, with the appellate court acting as the receiving body. On the other hand, linking the standing inquiry to the filing of the appeal is logical because the appellant seeks to invoke the Article III standing of the appellate body alone.

In cases like *American Library Association v. Federal Communications Commission*,<sup>292</sup> the court adopted a test similar to the former concept.<sup>293</sup> There, the issue centered on whether a rule adopted in 2005—prior to the start of the administrative action challenging it—harmed the American Library Association such that standing existed on appeal.<sup>294</sup> That approach seems the norm, given that so many of the inquires focus on facts found below to the extent the agency record includes sufficient facts to show standing.

The general case law on standing seems clear on this point. Standing, and jurisdiction in general, is determined at the time the operative complaint is filed.<sup>295</sup> In the context of district court litigation, the Federal Circuit has repeatedly looked at the facts that existed when the complaint was filed.<sup>296</sup> Furthermore, events that occur subsequent to the filing of the complaint may not be relied upon for showing jurisdiction at the time of the complaint.<sup>297</sup>

Given this settled law, it is not surprising to see the Federal Circuit take the “at the time of filing” approach. In *PPG Industries*, as discussed previously, the court held that the appellant had established Article III standing in an appeal of inter partes reexaminations from the PTAB. In doing so, the court stated:

The evidence shows that: (1) by the time PPG filed its notice of appeal in this case, it had already launched a commercial can-interior coating for the beverage can industry; and (2) PPG had received at least one inquiry from a customer suggesting that Valspar intended to pursue infringement litigation against PPG related to its can-interior coating.<sup>298</sup>

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292. 401 F.3d 489 (D.C. Cir. 2005).

293. *Id.* at 492–93.

294. *Id.* at 490–91.

295. *See Rockwell Int’l Corp. v. United States*, 549 U.S. 457, 473–74 (2007) (“[W]hen a plaintiff files a complaint in federal court and then voluntarily amends the complaint, courts look to the amended complaint to determine jurisdiction.”).

296. *See GAF Bldg. Materials Corp. v. Elk Corp.*, 90 F.3d 479, 481–82 (Fed. Cir. 1996); *Spectronics Corp. v. H.B. Fuller Co.*, 940 F.2d 631, 633–35 (Fed. Cir. 1991).

297. *GAF Bldg. Materials Corp.*, 90 F.3d at 483 (stating that “[t]he presence or absence of jurisdiction must be determined on the facts existing at the time the complaint under consideration was filed”) (quoting *Arrowhead Indus. Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731, 734 n.2 (Fed. Cir. 1988)); *Spectronics Corp.*, 940 F.2d at 635 (stating that “later events may not create jurisdiction where none existed at the time of filing”).

298. *PPG Indus, Inc. v. Valspar Sourcing, Inc.*, 679 Fed. App’x 1002, 1004 (Fed. Cir. 2017) (citation omitted).

The court expressly stated that the evidence to be considered was that which existed “by the time PPG filed its notice of appeal.”<sup>299</sup> This analysis is consistent with the Federal Circuit’s approach when assessing standing and jurisdiction in district court cases. Contrast it with the Board’s ongoing inquiry in *Momenta Pharmaceuticals v. Bristol-Myers Squibb*, where actions taken post-oral argument have provoked a show cause order why the appeal should not be dismissed as moot.<sup>300</sup> This at least suggests that some judges view the standing (or at least, the justiciability) question as a live issue subject to change on appeal—and possibly, one that can be cured or remedied, even after an appeal is filed.

Another possible approach would require Article III standing, for purposes of appeal, to exist at the time the AIA proceeding commences. Specifically, the Federal Circuit could conceivably decide that the evidence necessary to establish standing must exist at the time the IPR petition is filed or instituted, not merely at the time notice of appeal is filed. There may be advantages to this approach, but there does not appear to be any statutory or common law basis for such a position.<sup>301</sup>

The final consideration is how practitioners should treat such affidavits, either as testimonial, evidentiary, or subject to deposition, objection, or any of the procedural safeguards that attach fact-finding in most instances. As one commentator notes, “The procedurally strange thing . . . was that the affidavits were subject to none of the protections that normally would help ensure accuracy. There was no discovery, no cross-examination, and, obviously, the affiants’ credibility could not be fully weighed because they testified on paper, not before the court.”<sup>302</sup> That point is well-taken. There has been little discussion of anything other than allowing both sides to submit unchallenged affidavits into briefing—more akin to summary judgment than actual fact-finding—although there is “no genuine issue of material fact.”<sup>303</sup> It is worth asking if such unchallenged “fact-finding” in the first instance can withstand due process scrutiny, whereby one side can submit “evidence” unchallengeable in that or any other forum.<sup>304</sup> It also means confidentiality and motions to seal information for the first time on appeal become more likely, but also present novel issues—as the appellate court is normally loathe to seal information or opinions for the first time on appeal. In a situation where companies may routinely consider filing business confidential information, it may make sense for the clerks of court at the Federal Circuit to give greater leeway in sealing additional evidence; it may also counsel toward submitting such evidence under

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299. *Id.*

300. *See* Show Cause Order, *supra* note 209.

301. *See* Burstein, *supra* note 14, at 526–30, 526 n.179.

302. Wildermuth & Davies, *supra* note 16, at 979 (citation omitted).

303. *Id.* at 979–80.

304. *Id.* at 989–90.

a protective order and seal in the case below, as the Court has in the past been more solicitous to already-sealed information.

### B. Strategic Issues

A party may also consider other factors when the issue of standing is or may be implicated in an appeal from the PTAB. When multiple parties are involved, on one or both sides of an appeal, the court may be disinclined to dismiss a particular appellant, as long as at least one appellant clearly establishes standing.<sup>305</sup> This is effectively the reasoning adopted in *Personal Audio*, which relied on *ASARCO*<sup>306</sup> and *Department of Labor v. Triplett*<sup>307</sup> for the idea that only one party before the court needs to demonstrate standing for an appeal to continue.<sup>308</sup> While it is unclear how the Federal Circuit will accept the idea that only one party to the appeal is required to demonstrate standing, it does counsel for any entities who may face hurdles in establishing standing to consider strategic partnerships in filing petitions. One dramatic example of this approach is *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*,<sup>309</sup> an appeal from a Declaratory Judgment Act case below.<sup>310</sup> There, the plaintiff-appellees included: The Association for Molecular Pathology, the American College of Medical Genetics, and eighteen other associations and individuals.<sup>311</sup> On appeal, the Federal Circuit affirmed the lower court's decision to proceed with the case because "at least one plaintiff, Dr. Harry Ostrer, has standing to challenge the validity of Myriad's patents."<sup>312</sup>

Another strategic issue considers the possible implications of claim preclusion and issue preclusion based on a PTAB decision that cannot be appealed by the petitioner.<sup>313</sup> If a party may not have standing on appeal, and the loss of a case would lead to a damage claim or issue preclusion, formal or otherwise, that party should weigh the benefits of invoking the PTAB's jurisdiction, and the strength of its case, with the possibility of loss and adverse consequences.

Parties with unique corporate structures, relationships, or business models should take extra precautions at the time of filing any administrative challenge to consider whether they may have standing to appeal, and should retain any evidence relevant to a potential future challenge, especially if maintaining a

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305. See U.S. Dep't of Labor v. Triplett, 494 U.S. 715, 732 (1990); ASARCO Inc. v. Kadish, 490 U.S. 605, 623–25, 623 n.2 (1989).

306. See Pers. Audio, LLC v. Elec. Frontier Found., 867 F.3d 1246, 1250 (Fed. Cir. 2017) (citing *ASARCO Inc.*, 490 U.S. at 623–24, 623 n.2).

307. See *id.* (citing *Triplett*, 494 U.S. at 732 (Marshall, J., concurring)).

308. See *id.* at 1249–50.

309. 653 F.3d 1329 (Fed. Cir. 2011), *rev'd on other grounds*, *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 596 (2013).

310. *Id.* at 1334.

311. *Id.* at 1329.

312. *Id.* at 1333–34.

313. Steinman, *supra*, note 16, at 898–900.

possible appeal becomes important to them. This includes any issues arising from corporate structure, customer/supplier relationships, nonprofit or public interest missions, or third-party status.

#### VIII. CONCLUSION

In sum, the Federal Circuit has recently adopted, for the first time, the largely settled law of appellant standing in the case of *Phigenix*. It has adopted the more rational of two competing approaches to appellee standing in *Personal Audio*, finding that Article III standing need only be satisfied by the party invoking the court's appellate jurisdiction. The Federal Circuit also held that the USPTO Director can independently have standing to appeal as an intervenor but left open whether an intervenor must establish independent Article III standing. Thus, the Federal Circuit appears to be adopting the dominant view among the circuits, in an area of the law that needs further research, study, and guidance.